United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

☑ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **June 30, 2023**
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 1-13145

Jones Lang LaSalle Incorporated

(Exact name of registrant as specified in its charter)

Maryland	**36-4150422**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 East Randolph Drive Chicago, IL	**60601**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(312) 782-5800**
Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.01	JLL	The New York Stock Exchange

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

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

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

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

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

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

The number of shares outstanding of the registrant's common stock (par value $0.01) as of the close of business on July 31, 2023 was 47,682,168.

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Part I. Financial Information
Item 1. Financial Statements

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS

(in millions, except share and per share data)		**June 30, 2023**	December 31, 2022
Assets		(unaudited)	
Current assets:			
Cash and cash equivalents	**$**	**402.5**	519.3
Trade receivables, net of allowance of $76.8 and $66.7		**1,982.0**	2,148.8
Notes and other receivables		**410.9**	469.5
Reimbursable receivables		**1,910.9**	2,005.7
Warehouse receivables		**1,049.0**	463.2
Short-term contract assets, net of allowance of $1.9 and $1.9		**357.2**	359.7
Prepaid and other		**593.3**	603.5
Total current assets		**6,705.8**	6,569.7
Property and equipment, net of accumulated depreciation of $1,030.4 and $960.5		**585.5**	582.9
Operating lease right-of-use assets		**761.3**	776.3
Goodwill		**4,577.7**	4,528.0
Identified intangibles, net of accumulated amortization of $499.0 and $445.8		**821.1**	858.5
Investments, including $802.5 and $794.9 at fair value		**872.7**	873.8
Long-term receivables		**372.1**	331.1
Deferred tax assets, net		**394.6**	379.6
Deferred compensation plan		**559.5**	517.9
Other		**175.2**	175.9
Total assets	**$**	**15,825.5**	15,593.7
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities	**$**	**1,054.6**	1,236.8
Reimbursable payables		**1,430.2**	1,579.5
Accrued compensation and benefits		**1,141.2**	1,749.8
Short-term borrowings		**112.1**	164.2
Short-term contract liabilities and deferred income		**213.6**	216.5
Short-term acquisition-related obligations		**20.5**	23.1
Warehouse facilities		**941.8**	455.3
Short-term operating lease liabilities		**164.3**	156.4
Other		**412.4**	330.5
Total current liabilities		**5,490.7**	5,912.1
Credit facility, net of debt issuance costs of $9.5 and $11.2		**1,840.5**	1,213.8
Long-term debt, net of debt issuance costs of $1.1 and $1.2		**380.7**	372.8
Deferred tax liabilities, net		**191.6**	194.0
Deferred compensation		**518.3**	492.4
Long-term acquisition-related obligations		**58.6**	76.3
Long-term operating lease liabilities		**766.6**	775.8
Other		**386.6**	407.0
Total liabilities		**9,633.6**	9,444.2
Redeemable noncontrolling interest		**7.1**	7.0
Company shareholders' equity:			
Common stock, $0.01 par value per share, 100,000,000 shares authorized; 52,095,238 and 52,085,968 shares issued; 47,720,950 and 47,507,758 outstanding		**0.5**	0.5
Additional paid-in capital		**2,015.3**	2,022.6
Retained earnings		**5,567.6**	5,590.4
Treasury stock, at cost, 4,374,288 and 4,578,210 shares		**(895.8)**	(934.6)
Shares held in trust		**(11.6)**	(9.8)
Accumulated other comprehensive loss		**(611.4)**	(648.2)
Total Company shareholders' equity		**6,064.6**	6,020.9
Noncontrolling interest		**120.2**	121.6
Total equity		**6,184.8**	6,142.5
Total liabilities, redeemable noncontrolling interest and equity	**$**	**15,825.5**	15,593.7

See accompanying notes to Condensed Consolidated Financial Statements.

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions, except share and per share data) (unaudited)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenue	**$ 5,052.5**	$ 5,278.4	**$ 9,768.0**	$ 10,079.8
Operating expenses:				
Compensation and benefits	**$ 2,417.0**	$ 2,554.4	**$ 4,670.0**	$ 4,965.2
Operating, administrative and other	**2,414.6**	2,407.6	**4,766.1**	4,548.6
Depreciation and amortization	**59.9**	55.4	**117.4**	109.8
Restructuring and acquisition charges	**11.8**	25.9	**47.5**	45.4
Total operating expenses	**$ 4,903.3**	$ 5,043.3	**$ 9,601.0**	$ 9,669.0
Operating income	**$ 149.2**	$ 235.1	**$ 167.0**	$ 410.8
Interest expense, net of interest income	**40.5**	15.7	**66.8**	25.9
Equity (losses) earnings	**(103.5)**	53.6	**(106.1)**	72.1
Other (expense) income	**(1.2)**	135.3	**(1.1)**	135.5
Income (loss) before income taxes and noncontrolling interest	**4.0**	408.3	**(7.0)**	592.5
Income tax provision (benefit)	**0.8**	72.8	**(1.5)**	113.1
Net income (loss)	**3.2**	335.5	**(5.5)**	479.4
Net income attributable to noncontrolling interest	**0.7**	141.6	**1.2**	139.9
Net income (loss) attributable to common shareholders	**$ 2.5**	$ 193.9	**$ (6.7)**	$ 339.5
Basic earnings (loss) per common share	**$ 0.05**	$ 3.98	**$ (0.14)**	$ 6.89
Basic weighted average shares outstanding (in 000's)	**47,748**	48,718	**47,652**	49,247
Diluted earnings (loss) per common share	**$ 0.05**	$ 3.90	**$ (0.14)**	$ 6.75
Diluted weighted average shares outstanding (in 000's)	**48,334**	49,651	**47,652**	50,292
Net income (loss) attributable to common shareholders	**$ 2.5**	$ 193.9	**$ (6.7)**	$ 339.5
Change in pension liabilities, net of tax	**(1.1)**	—	**(1.1)**	—
Foreign currency translation adjustments	**11.1**	(164.4)	**37.9**	(188.5)
Comprehensive income attributable to common shareholders	**$ 12.5**	$ 29.5	**$ 30.1**	$ 151.0

See accompanying notes to Condensed Consolidated Financial Statements.

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Company Shareholders' Equity								
	Common Stock								
(in millions, except share and per share data) (unaudited)	Shares Outstanding	Amount	Additional Paid-In Capital	Retained Earnings	Shares Held in Trust	Treasury Stock	AOCI[1]	NCI[2]	Total Equity
December 31, 2022	47,507,758	$ 0.5	2,022.6	5,590.4	(9.8)	(934.6)	(648.2)	121.6	$ 6,142.5
Net (loss) income	—	—	—	(9.2)	—	—	—	0.5	(8.7)
Shares issued under stock-based compensation programs	146,727	—	(60.3)	(14.5)	—	81.8	—	—	7.0
Shares repurchased for payment of taxes on stock-based compensation	(45,281)	—	2.3	—	—	(30.7)	—	—	(28.4)
Amortization of stock-based compensation	—	—	16.7	—	—	—	—	—	16.7
Foreign currency translation adjustments	—	—	—	—	—	—	26.8	—	26.8
Decrease in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	(0.7)	(0.7)
March 31, 2023	47,609,204	$ 0.5	1,981.3	5,566.7	(9.8)	(883.5)	(621.4)	121.4	$ 6,155.2
Net income[3]	**—**	**—**	**—**	**2.5**	**—**	**—**	**—**	**0.6**	**3.1**
Shares issued under stock-based compensation programs	**288,834**	**—**	**(2.3)**	**(1.6)**	**—**	**7.1**	**—**	**—**	**3.2**
Shares repurchased for payment of taxes on stock-based compensation	**(104,766)**	**—**	**—**	**—**	**—**	**0.1**	**—**	**—**	**0.1**
Amortization of stock-based compensation	**—**	**—**	**36.3**	**—**	**—**	**—**	**—**	**—**	**36.3**
Shares held in trust	**—**	**—**	**—**	**—**	**(1.8)**	**—**	**—**	**—**	**(1.8)**
Repurchase of common stock	**(72,322)**	**—**	**—**	**—**	**—**	**(19.5)**	**—**	**—**	**(19.5)**
Change in pension liabilities, net of tax	**—**	**—**	**—**	**—**	**—**	**—**	**(1.1)**	**—**	**(1.1)**
Foreign currency translation adjustments	**—**	**—**	**—**	**—**	**—**	**—**	**11.1**	**—**	**11.1**
Decrease in amounts attributable to noncontrolling interest	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1.8)**	**(1.8)**
June 30, 2023	**47,720,950**	**$ 0.5**	**2,015.3**	**5,567.6**	**(11.6)**	**(895.8)**	**(611.4)**	**120.2**	**$ 6,184.8**

(1) AOCI: Accumulated other comprehensive income (loss)
(2) NCI: Noncontrolling interest
(3) Excludes net income attributable to redeemable noncontrolling interest of $0.1 million for the three months ended June 30, 2023.

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

	Company Shareholders' Equity								
	Common Stock								
(in millions, except share and per share data) (unaudited)	Shares Outstanding	Amount	Additional Paid-In Capital	Retained Earnings	Shares Held in Trust	Treasury Stock	AOCI[1]	NCI[2]	Total Equity
December 31, 2021	50,024,139	$ 0.5	2,053.7	4,937.6	(5.2)	(406.3)	(395.4)	228.5	$ 6,413.4
Net income (loss)	—	—	—	145.6	—	—	—	(1.7)	143.9
Shares issued under stock-based compensation programs	305,435	—	(3.6)	—	—	5.5	—	—	1.9
Shares repurchased for payment of taxes on stock-based compensation	(105,295)	—	(1.9)	—	—	(1.9)	—	—	(3.8)
Amortization of stock-based compensation	—	—	18.6	—	—	—	—	—	18.6
Shares held in trust	—	—	—	—	0.1	—	—	—	0.1
Repurchase of common stock	(615,351)	—	—	—	—	(150.0)	—	—	(150.0)
Foreign currency translation adjustments	—	—	—	—	—	—	(24.1)	—	(24.1)
Increase in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	15.2	15.2
March 31, 2022	49,608,928	$ 0.5	2,066.8	5,083.2	(5.1)	(552.7)	(419.5)	242.0	$ 6,415.2
Net income[3]	—	—	—	193.9	—	—	—	141.7	335.6
Shares issued under stock-based compensation programs	36,251	—	(25.4)	(1.7)	—	42.2	—	—	15.1
Shares repurchased for payment of taxes on stock-based compensation	(6,592)	—	(16.5)	—	—	(16.5)	—	—	(33.0)
Amortization of stock-based compensation	—	—	25.8	—	—	—	—	—	25.8
Repurchase of common stock	(1,397,915)	—	—	—	—	(297.7)	—	—	(297.7)
Foreign currency translation adjustments	—	—	—	—	—	—	(164.4)	—	(164.4)
Decrease in amounts attributable to noncontrolling interest	—	—	—	—	—	—	—	(149.9)	(149.9)
June 30, 2022	48,240,672	$ 0.5	2,050.7	5,275.4	(5.1)	(824.7)	(583.9)	233.8	$ 6,146.7

(1) AOCI: Accumulated other comprehensive income (loss)
(2) NCI: Noncontrolling interest
(3) Excludes net loss attributable to redeemable noncontrolling interest of $0.1 million for the three months ended June 30, 2022.

See accompanying notes to Condensed Consolidated Financial Statements.

JONES LANG LASALLE INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions) (unaudited)		Six Months Ended June 30, 2023	2022
Cash flows from operating activities:			
Net (loss) income	$	**(5.5)**	479.4
Reconciliation of net (loss) income to net cash used in operating activities:			
Depreciation and amortization		**117.4**	109.8
Equity losses (earnings)		**106.1**	(72.1)
Net loss (gain) on dispositions		**1.8**	(134.8)
Distributions of earnings from investments		**6.0**	9.9
Provision for loss on receivables and other assets		**19.0**	11.8
Amortization of stock-based compensation		**53.0**	44.4
Net non-cash mortgage servicing rights and mortgage banking derivative activity		**2.4**	(7.6)
Accretion of interest and amortization of debt issuance costs		**2.1**	2.5
Other, net		**3.6**	2.6
Change in:			
Receivables		**137.7**	64.6
Reimbursable receivables and reimbursable payables		**(51.0)**	(94.2)
Prepaid expenses and other assets		**(46.5)**	(21.3)
Deferred tax assets, net		**(17.3)**	78.8
Accounts payable and accrued liabilities		**(216.5)**	(339.6)
Accrued compensation		**(591.6)**	(673.6)
Net cash used in operating activities		**(479.3)**	(539.4)
Cash flows from investing activities:			
Net capital additions – property and equipment		**(88.2)**	(86.9)
Net investment asset activity (less than wholly-owned)		**—**	137.0
Business acquisitions, net of cash acquired		**(13.6)**	(2.0)
Capital contributions to investments		**(66.2)**	(121.4)
Distributions of capital from investments		**12.7**	13.1
Other, net		**(5.4)**	(2.9)
Net cash used in investing activities		**(160.7)**	(63.1)
Cash flows from financing activities:			
Proceeds from borrowings under credit facility		**4,478.0**	4,060.0
Repayments of borrowings under credit facility		**(3,853.0)**	(2,835.0)
Net repayments of short-term borrowings		**(55.3)**	(12.5)
Payments of deferred business acquisition obligations and earn-outs		**(21.8)**	(9.2)
Repurchase of common stock		**(19.5)**	(447.7)
Noncontrolling interest distributions, net		**—**	(134.6)
Other, net		**(24.5)**	(19.7)
Net cash provided by financing activities		**503.9**	601.3
Effect of currency exchange rate changes on cash, cash equivalents and restricted cash		**3.8**	(37.6)
Net change in cash, cash equivalents and restricted cash		**(132.3)**	(38.8)
Cash, cash equivalents and restricted cash, beginning of the period		**746.0**	841.6
Cash, cash equivalents and restricted cash, end of the period	$	**613.7**	802.8
Supplemental disclosure of cash flow information:			
Restricted cash, beginning of period	$	**226.7**	247.9
Restricted cash, end of period		**211.2**	234.8
Cash paid during the period for:			
Interest	$	**65.1**	26.4
Income taxes, net of refunds		**103.1**	201.6
Operating leases		**96.2**	91.5
Non-cash activities:			
Business acquisitions (including contingent consideration)	$	**—**	2.0
Non-cash consideration received for disposition		**—**	15.8
Deferred business acquisition obligations		**—**	1.4

See accompanying notes to Condensed Consolidated Financial Statements.

JONES LANG LASALLE INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. INTERIM INFORMATION

Readers of this quarterly report should refer to the audited financial statements of Jones Lang LaSalle Incorporated ("JLL," which may also be referred to as "the Company" or as "we," "us" or "our") for the year ended December 31, 2022, which are included in our 2022 Annual Report on Form 10-K, filed with the United States Securities and Exchange Commission ("SEC") and also available on our website (www.jll.com), since we have omitted from this quarterly report certain footnote disclosures which would substantially duplicate those contained in such audited financial statements. You should also refer to the "Summary of Critical Accounting Policies and Estimates" section within Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and to Note 2, Summary of Significant Accounting Policies, in the Notes to Consolidated Financial Statements in our 2022 Annual Report on Form 10-K for further discussion of our significant accounting policies and estimates.

Our Condensed Consolidated Financial Statements as of June 30, 2023, and for the periods ended June 30, 2023 and 2022, are unaudited. In the opinion of management, we have included all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the Condensed Consolidated Financial Statements for these interim periods.

Historically, our quarterly revenue and profits have tended to increase from quarter to quarter as the year progresses. This is the result of a general focus in the real estate industry on completing transactions by calendar year end, while certain expenses are recognized evenly throughout the year. Growth in our Property Management and Workplace Management businesses as well as other annuity-based services has, to an extent, lessened the seasonality in our revenue and profits during the past several years. Within our Markets Advisory and Capital Markets segments, revenue from transaction-based activities is driven by the size and timing of our clients' transactions and can fluctuate significantly from period to period. Our LaSalle Investment Management ("LaSalle") segment generally earns investment-generated performance fees on clients' real estate investment returns when assets are sold, the timing of which is geared toward the benefit of our clients, as well as co-investment equity gains and losses, primarily dependent on underlying valuations.

A significant portion of our compensation and benefits expense is from incentive compensation plans, which we generally accrue throughout the year based on progress toward annual performance targets. This process can result in significant fluctuations in quarterly compensation and benefits expense from period to period. Non-variable operating expenses, which we recognize when incurred during the year, are relatively constant on a quarterly basis.

We provide for the effects of income taxes on interim financial statements based on our estimate of the effective tax rate for the full year, which we base on forecasted income by country and expected enacted tax rates. As required, we adjust for the impact of discrete items in the quarters in which they occur. Changes in the geographic mix of income can impact our estimated effective tax rate.

As a result of the items mentioned above, the results for the periods ended June 30 are not fully indicative of what our results will be for the full fiscal year.

2. NEW ACCOUNTING STANDARDS

Recently adopted accounting guidance

In September 2022, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04, *Liabilities-Supplier Finance Programs (Subtopic 450-50): Disclosure of Supplier Finance Program Obligations*, which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose the key terms of the programs and information about their outstanding obligations at the end of the reporting period. The guidance is intended to address requests from stakeholders for information about an entity's use of supplier finance programs and their effect on the entity's working capital, liquidity and cash flows. We adopted this guidance effective January 1, 2023, and the adoption did not impact our financial statements and related disclosures.

3. REVENUE RECOGNITION

Capital Markets revenue excluded from the scope of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers ("ASC Topic 606")

Our mortgage banking and servicing operations, comprised of (i) all Loan Servicing revenue and (ii) activities related to mortgage servicing rights ("MSR" or "MSRs") and loan origination fees (included in Investment Sales, Debt/Equity Advisory and Other), are not considered revenue from contracts with customers, and accordingly are excluded from the scope of ASC Topic 606. Such out-of-scope revenue is presented below.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenue excluded from scope of ASC Topic 606	**$ 77.2**	76.5	**$ 143.4**	146.5

Contract assets and liabilities

Our contract assets, net of allowance, are included in Short-term contract assets and Other assets and our contract liabilities are included in Short-term contract liabilities and deferred income on our Condensed Consolidated Balance Sheets. The majority of contract liabilities are recognized as revenue within 90 days. Such contract assets and liabilities are presented below.

(in millions)	**June 30, 2023**	December 31, 2022
Contract assets, gross	**$ 427.8**	447.0
Contract asset allowance	**(2.2)**	(2.3)
Contract assets, net	**$ 425.6**	444.7
Contract liabilities	**$ 145.0**	151.4

Remaining performance obligations

Remaining performance obligations represent the aggregate transaction price for contracts where our performance obligations have not yet been satisfied. As of June 30, 2023, the aggregate amount of transaction price allocated to remaining performance obligations represented less than 5% of our total revenue. In accordance with ASC Topic 606, excluded from the aforementioned remaining performance obligations are (i) amounts attributable to contracts expected to be completed within 12 months and (ii) variable consideration for services performed as a series of daily performance obligations, such as facilities management, property management and LaSalle contracts. A significant portion of our customer contracts, which are not expected to be fulfilled within 12 months, are represented by the contracts within these businesses.

4. BUSINESS SEGMENTS

We manage and report our operations as five global business segments:

(1) Markets Advisory,
(2) Capital Markets,
(3) Work Dynamics,
(4) JLL Technologies, and
(5) LaSalle.

Markets Advisory offers a wide range of real estate services, including agency leasing and tenant representation, property management, advisory and consulting services. Capital Markets service offerings include investment sales, equity and debt advisory, loan servicing and valuation advisory. Our Work Dynamics business provides a broad suite of integrated services to occupiers of real estate, including facility and project management, as well as portfolio and other services. Our JLL Technologies segment offers software products, solutions and services, while LaSalle provides investment management services on a global basis to institutional investors and high-net-worth individuals.

We allocate all indirect expenses to our segments, other than interest and income taxes, as nearly all expenses incurred benefit one or more of the segments. Allocated expenses primarily consist of corporate functional costs across the globe, which we allocate to the business segments using an expense-specific driver-based methodology.

Adjusted EBITDA does not include (i) Restructuring and acquisition charges, (ii) gain/loss on disposal, (iii) interest on employee loans, net of forgiveness, (iv) net non-cash MSR and mortgage banking derivative activity, (v) Interest expense, net of interest income, (vi) Income tax (benefit) provision and (vii) Depreciation and amortization, which are otherwise included in Net income on the Condensed Consolidated Statements of Comprehensive Income.

The Chief Operating Decision Maker ("CODM") of JLL measures and evaluates the segment results based on Adjusted EBITDA for purposes of making decisions about allocating resources and assessing performance. Our CODM is not provided with total asset information by segment and accordingly does not measure or allocate resources based on total assets information. Therefore, we have not disclosed asset information by segment.

Summarized financial information by business segment is as follows.

(in millions)	Three Months Ended June 30, 2023	2022	Six Months Ended June 30, 2023	2022
Markets Advisory				
Leasing	$ **591.4**	708.4	$ **1,078.4**	1,309.3
Property Management	**409.9**	378.2	**810.1**	748.7
Advisory, Consulting and Other	**24.1**	31.6	**43.3**	59.7
Revenue	$ **1,025.4**	1,118.2	$ **1,931.8**	2,117.7
Depreciation and amortization[1]	$ **16.5**	16.3	$ **32.6**	33.4
Equity (losses) earnings	$ **(0.1)**	0.4	$ **0.2**	0.9
Adjusted EBITDA	$ **99.4**	134.0	$ **171.0**	245.2
Capital Markets				
Investment Sales, Debt/Equity Advisory and Other	$ **319.5**	549.7	$ **560.1**	1,025.8
Valuation Advisory	**89.5**	94.4	**168.6**	179.0
Loan Servicing	**39.0**	40.4	**76.4**	80.3
Revenue	$ **448.0**	684.5	$ **805.1**	1,285.1
Depreciation and amortization	$ **16.2**	15.4	$ **32.1**	31.0
Equity earnings	$ **4.8**	0.6	$ **5.4**	1.4
Adjusted EBITDA	$ **36.0**	126.7	$ **46.7**	244.9
Work Dynamics				
Workplace Management	$ **2,553.4**	2,434.0	$ **5,050.6**	4,754.4
Project Management	**703.2**	754.8	**1,379.5**	1,367.1
Portfolio Services and Other	**118.0**	121.7	**220.7**	222.6
Revenue	$ **3,374.6**	3,310.5	$ **6,650.8**	6,344.1
Depreciation and amortization	$ **19.9**	17.0	$ **39.2**	33.5
Equity earnings	$ **0.8**	0.9	$ **1.2**	1.2
Adjusted EBITDA	$ **56.2**	57.6	$ **81.9**	92.8
JLL Technologies				
Revenue	$ **60.6**	50.7	$ **122.0**	100.1
Depreciation and amortization	$ **4.1**	3.9	$ **8.0**	7.7
Equity (losses) earnings	$ **(103.9)**	44.7	$ **(99.0)**	63.5
Adjusted EBITDA	$ **(105.2)**	12.9	$ **(118.5)**	0.6
LaSalle				
Advisory fees	$ **103.1**	103.2	$ **203.6**	200.2
Transaction fees and other	**5.0**	10.3	**15.4**	27.4
Incentive fees	**35.8**	1.0	**39.3**	5.2
Revenue	$ **143.9**	114.5	$ **258.3**	232.8
Depreciation and amortization	$ **2.3**	1.8	$ **3.6**	3.2
Equity (losses) earnings	$ **(5.1)**	7.0	$ **(13.9)**	5.1
Adjusted EBITDA	$ **29.7**	27.8	$ **44.0**	49.1

(1) Excludes the noncontrolling interest portion of amortization of acquisition-related intangibles which is not attributable to common shareholders.

The following table is a reconciliation of Adjusted EBITDA to Net income (loss) attributable to common shareholders.

(in millions)	Three Months Ended June 30, 2023	2022	Six Months Ended June 30, 2023	2022
Adjusted EBITDA - Markets Advisory	**$ 99.4**	134.0	**$ 171.0**	245.2
Adjusted EBITDA - Capital Markets	**36.0**	126.7	**46.7**	244.9
Adjusted EBITDA - Work Dynamics	**56.2**	57.6	**81.9**	92.8
Adjusted EBITDA - JLL Technologies	**(105.2)**	12.9	**(118.5)**	0.6
Adjusted EBITDA - LaSalle	**29.7**	27.8	**44.0**	49.1
Adjusted EBITDA - Consolidated	**$ 116.1**	359.0	**$ 225.1**	632.6
Adjustments:				
Restructuring and acquisition charges	**$ (11.8)**	(25.9)	**$ (47.5)**	(45.4)
Net loss on disposition	**(1.8)**	(7.5)	**(1.8)**	(7.5)
Interest on employee loans, net of forgiveness	**0.9**	—	**0.7**	—
Net non-cash MSR and mortgage banking derivative activity	**(0.6)**	11.2	**(2.4)**	7.6
Interest expense, net of interest income	**(40.5)**	(15.7)	**(66.8)**	(25.9)
Income tax (provision) benefit	**(0.8)**	(72.8)	**1.5**	(113.1)
Depreciation and amortization[1]	**(59.0)**	(54.4)	**(115.5)**	(108.8)
Net income (loss) attributable to common shareholders	**$ 2.5**	193.9	**$ (6.7)**	339.5

(1) This adjustment excludes the noncontrolling interest portion of amortization of acquisition-related intangibles which is not attributable to common shareholders.

5. BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS

2023 Business Combinations Activity

During the six months ended June 30, 2023, we completed one strategic acquisition. This strategic acquisition is presented below.

Acquired Company	Quarter of Acquisition	Country	Primary Segment
Kensington Capital Advisors (KCA)	Q2	United States	Capital Markets

Aggregate terms of our acquisition included: (1) cash paid at closing of $13.6 million and (2) prior 50.0% ownership previously accounted for as an equity method investment which had a fair value of $10.0 million.

A preliminary allocation of purchase consideration resulted in goodwill of $18.7 million, identifiable intangibles of $2.1 million and other net assets (acquired assets less assumed liabilities) of $2.8 million. As of June 30, 2023, we have not completed our analysis to assign fair values to all of the identifiable intangible and tangible assets acquired and, therefore, we may further refine the purchase price allocations for this acquisition during the open measurement period.

During the six months ended June 30, 2023, we paid $22.0 million for deferred business acquisition and earn-out obligations for acquisitions completed in prior years.

2022 Business Combinations Activity

During the six months ended June 30, 2022, we completed no strategic acquisitions.

Earn-Out Payments

($ in millions)		**June 30, 2023**	December 31, 2022
Number of acquisitions with earn-out payments subject to the achievement of certain performance criteria		**16**	17
Maximum earn-out payments (undiscounted)	**$**	**105.0**	114.6
Short-term earn-out liabilities (fair value)[1]		**12.4**	5.0
Long-term earn-out liabilities (fair value)[1]		**51.9**	68.3

(1) Included in Short-term and Long-term acquisition-related obligations on the Condensed Consolidated Balance Sheets.

Assuming the achievement of the applicable performance criteria, we anticipate making these earn-out payments over the next five years. Refer to Note 8, Fair Value Measurements, and Note 11, Restructuring and Acquisition Charges, for additional discussion of our earn-out liabilities.

Goodwill and Other Intangible Assets

Goodwill and unamortized intangibles as of June 30, 2023 consisted of: (1) goodwill of $4,577.7 million, (2) identifiable intangibles of $772.1 million amortized over their remaining finite useful lives and (3) $49.0 million of identifiable intangibles with indefinite useful lives that are not amortized. Notable portions of our goodwill and unamortized intangibles are denominated in currencies other than the U.S. dollar, which means a portion of the movements in the reported book value of these balances is attributable to movements in foreign currency exchange rates.

The following table details, by reporting segment, movements in goodwill.

(in millions)		**Markets Advisory**	**Capital Markets**	**Work Dynamics**	**JLL Technologies**	**LaSalle**		**Consolidated**
Balance as of December 31, 2022	$	1,742.9	1,949.2	532.6	247.7	55.6	$	4,528.0
Additions, net of adjustments		**—**	**18.7**	**—**	**—**	**—**		**18.7**
Impact of exchange rate movements		**12.5**	**14.1**	**3.8**	**—**	**0.6**		**31.0**
Balance as of June 30, 2023	**$**	**1,755.4**	**1,982.0**	**536.4**	**247.7**	**56.2**	**$**	**4,577.7**

(in millions)		Markets Advisory	Capital Markets	Work Dynamics	JLL Technologies	LaSalle		Consolidated
Balance as of January 1, 2022	$	1,782.9	1,983.9	539.9	247.5	57.4	$	4,611.6
Additions, net of adjustments		—	0.8	4.6	0.4	—		5.8
Impact of exchange rate movements		(40.2)	(43.5)	(11.8)	(0.2)	(1.8)		(97.5)
Balance as of June 30, 2022	$	1,742.7	1,941.2	532.7	247.7	55.6	$	4,519.9

The following tables detail, by intangible type, movements in the gross carrying amount and accumulated amortization of our identifiable intangibles.

(in millions)		MSRs	Other Intangibles		Consolidated
Gross Carrying Amount					
Balance as of December 31, 2022	$	747.3	557.0	$	1,304.3
Additions, net of adjustments[1]		**45.5**	**5.8**		**51.3**
Adjustment for fully amortized intangibles		**(20.2)**	**(17.4)**		**(37.6)**
Impact of exchange rate movements		**—**	**2.1**		**2.1**
Balance as of June 30, 2023	**$**	**772.6**	**547.5**	**$**	**1,320.1**
Accumulated Amortization					
Balance as of December 31, 2022	$	(242.2)	(203.6)	$	(445.8)
Amortization, net[2]		**(54.5)**	**(35.6)**		**(90.1)**
Adjustment for fully amortized intangibles		**20.2**	**17.4**		**37.6**
Impact of exchange rate movements		**—**	**(0.7)**		**(0.7)**
Balance as of June 30, 2023	**$**	**(276.5)**	**(222.5)**	**$**	**(499.0)**
Net book value as of June 30, 2023	**$**	**496.1**	**325.0**	**$**	**821.1**

(1) Included in this amount for MSRs was $6.8 million relating to prepayments/write-offs due to prepayments of the underlying obligation for which we assumed, acquired or retained the servicing rights.

(2) Amortization of MSRs is included in Revenue within the Condensed Consolidated Statements of Comprehensive Income.

(in millions)		MSRs	Other Intangibles		Total
Gross Carrying Amount					
Balance as of December 31, 2021	$	669.7	557.4	$	1,227.1
Additions, net of adjustments[1]		78.1	4.9		83.0
Adjustment for fully amortized intangibles		(33.8)	(2.5)		(36.3)
Impact of exchange rate movements		—	(7.7)		(7.7)
Balance as of June 30, 2022	$	714.0	552.1	$	1,266.1
Accumulated Amortization					
Balance as of December 31, 2021	$	(191.0)	(149.1)	$	(340.1)
Amortization, net[2]		(58.8)	(33.7)		(92.5)
Adjustment for fully amortized intangibles		33.8	2.5		36.3
Impact of exchange rate movements		—	2.1		2.1
Balance as of June 30, 2022	$	(216.0)	(178.2)	$	(394.2)
Net book value as of June 30, 2022	$	498.0	373.9	$	871.9

(1) Included in this amount for MSRs was $16.7 million relating to prepayments/write-offs due to prepayments of the underlying obligation for which we assumed, acquired or retained the servicing rights.

(2) Amortization of MSRs is included in Revenue within the Condensed Consolidated Statements of Comprehensive Income.

6. INVESTMENTS

Summarized investment balances as of June 30, 2023 and December 31, 2022 are presented in the following table.

(in millions)		**June 30, 2023**	December 31, 2022
JLL Technologies investments	**$**	**469.1**	483.4
LaSalle co-investments		**376.1**	366.5
Other investments		**27.5**	23.9
Total	**$**	**872.7**	873.8

Our JLL Technologies investments are, generally, investments in early to mid-stage proptech companies as well as proptech funds, while our LaSalle co-investments are, primarily, direct investments in 49 separate property or commingled funds, where we co-invest alongside our clients and for which we also have an advisory agreement.

We have maximum potential unfunded commitments to direct investments or investment vehicles of $324.1 million and $14.9 million as of June 30, 2023 for our LaSalle Investment Management business and JLL Technologies, respectively. Of the $324.1 million related to LaSalle, while we remain contractually obligated, we do not expect a call on the $60.3 million relating to a specific investment since the underlying fund moved into its liquidation phase in January 2020.

We evaluate our less-than-wholly-owned investments to determine whether the underlying entities are classified as variable interest entities ("VIEs"); we assess each identified VIE to determine whether we are the primary beneficiary. In prior periods, we determined we were the primary beneficiary of certain VIEs and, accordingly, we consolidated such entities. In December of 2022, as a result of a reconsideration event, we concluded we were no longer the primary beneficiary of these VIEs and, therefore, no longer consolidate these VIEs.

Summarized financial information for our consolidated VIEs is presented in the following table. As a result of the reconsideration event described above, there were no consolidated VIE balances as of June 30, 2023 and December 31, 2022; net income was consolidated up to the reconsideration date.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(in millions)	**2023**	2022	**2023**	2022
Revenue	**$ —**	5.1	**$ —**	8.6
Operating and other expenses	**—**	(6.0)	**—**	(11.7)
Net gains on sale of investments[1]	**—**	142.3	**—**	142.3
Net income	**$ —**	141.4	**$ —**	139.2

(1) The gain was included in Other (expense) income on the Condensed Consolidated Statements of Comprehensive Income.

We allocated the net income of the consolidated VIEs to the noncontrolling interest holders as Net income (loss) attributable to noncontrolling interest in our Condensed Consolidated Statements of Comprehensive Income.

Impairment

There were no significant other-than-temporary impairment charges on investments for the six months ended June 30, 2023 and 2022.

Fair Value

We report a majority of our investments at fair value. For such investments, we increase or decrease our investment each reporting period by the change in the fair value and we report these fair value adjustments in our Condensed Consolidated Statements of Comprehensive Income within Equity earnings. The table below shows the movement in our investments reported at fair value.

(in millions)		**2023**	2022
Fair value investments as of January 1,	**$**	**794.9**	639.6
Investments[1]		**123.8**	121.8
Distributions		**(11.1)**	(21.4)
Change in fair value, net		**(110.5)**	65.3
Foreign currency translation adjustments, net		**5.4**	(19.2)
Fair value investments as of June 30,	**$**	**802.5**	786.1

(1) In the second quarter of 2023, $63.8 million in Notes receivable matured and (inclusive of accrued interest) converted to equity.

See Note 8, Fair Value Measurements, for additional discussion of our investments reported at fair value.

7. STOCK-BASED COMPENSATION

Stock Unit Awards

Restricted stock unit ("RSU") and performance stock unit ("PSU") awards activity is presented in the following tables.

	RSU Shares (in 000's)	PSU Shares (in 000's)	Total Shares (in 000's)	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life (in years)
Unvested as of March 31, 2023	688.4	316.4	1,004.8	$ 192.36	1.66
Granted	**345.2**	**151.8**	**497.0**	**137.67**	
Vested	**(15.1)**	**—**	**(15.1)**	**131.67**	
Forfeited	**(15.1)**	**(4.6)**	**(19.7)**	**186.15**	
Unvested as of June 30, 2023	**1,003.4**	**463.6**	**1,467.0**	**$ 174.54**	**1.85**
Unvested as of March 31, 2022	786.8	466.1	1,252.9	$ 152.62	1.84
Granted	188.5	113.0	301.5	224.59	
Vested	(28.6)	—	(28.6)	129.96	
Forfeited	(7.7)	(2.2)	(9.9)	173.02	
Unvested as of June 30, 2022	939.0	576.9	1,515.9	$ 167.23	1.98

	RSU Shares (in 000's)	PSU Shares (in 000's)	Total Shares (in 000's)	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Life (in years)
Unvested as of December 31, 2022	841.3	567.0	1,408.3	$ 170.78	1.79
Granted	**345.2**	**182.8**	**528.0**	**136.13**	
Vested	**(160.7)**	**(257.2)**	**(417.9)**	**116.49**	
Forfeited	**(22.4)**	**(29.0)**	**(51.4)**	**148.89**	
Unvested as of June 30, 2023	**1,003.4**	**463.6**	**1,467.0**	**$ 174.54**	**1.85**
Unvested as of December 31, 2021	912.4	646.0	1,558.4	$ 152.27	1.99
Granted	188.5	113.0	301.5	223.61	
Vested	(151.4)	(175.1)	(326.5)	147.57	
Forfeited	(10.5)	(7.0)	(17.5)	173.44	
Unvested as of June 30, 2022	939.0	576.9	1,515.9	$ 167.23	1.98

As of June 30, 2023, we had $104.5 million of unamortized deferred compensation related to unvested RSUs and PSUs, which we anticipate recognizing over varying periods into 2027.

8. FAIR VALUE MEASUREMENTS

We measure certain assets and liabilities in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures*, which defines fair value as the price that would be received for an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date. In addition, it establishes a framework for measuring fair value according to the following three-tier fair value hierarchy:

- Level 1 - Quoted prices for identical assets or liabilities in active markets accessible as of the measurement date;
- Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3 - Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial Instruments

Our financial instruments include Cash and cash equivalents, Trade receivables, Notes and other receivables, Reimbursable receivables, Warehouse receivables, restricted cash, contract assets, Accounts payable, Reimbursable payables, Short-term borrowings, contract liabilities, Warehouse facilities, Credit facility, Long-term debt and foreign currency forward contracts. The carrying amounts of Cash and cash equivalents, Trade receivables, Notes and other receivables, Reimbursable receivables, restricted cash, contract assets, Accounts payable, Reimbursable payables, contract liabilities and the Warehouse facilities approximate their estimated fair values due to the short-term nature of these instruments. The carrying values of our Credit facility and Short-term borrowings approximate their estimated fair values given the variable interest rate terms and market spreads.

We estimated the fair value of our Long-term debt using dealer quotes that are Level 2 inputs in the fair value hierarchy. The fair value and carrying value of our debt are presented in the following table.

(in millions)	**June 30, 2023**	December 31, 2022
Long-term debt, fair value	**$ 363.3**	360.9
Long-term debt, carrying value, net of debt issuance costs	**380.7**	372.8

Investments at Fair Value - Net Asset Value ("NAV")

We report a significant portion of our investments at fair value. For such investments, we increase or decrease our investment each reporting period by the change in the fair value, and we report these fair value adjustments in our Condensed Consolidated Statements of Comprehensive Income within Equity earnings.

For a subset of our investments reported at fair value, we estimate the fair value using the NAV per share (or its equivalent) our investees provide. Critical inputs to NAV estimates included valuations of the underlying real estate assets and borrowings, which incorporate investment-specific assumptions such as discount rates, capitalization rates, rental and expense growth rates, and asset-specific market borrowing rates. We did not consider any adjustments to NAV estimates provided by investees, including adjustments for any restrictions to the transferability of ownership interests embedded within investment agreements to which we are a party, to be necessary based upon (i) our understanding of the methodology utilized and inputs incorporated to estimate NAV at the investee level, (ii) consideration of market demand for the specific types of real estate assets held by each venture and (iii) contemplation of real estate and capital markets conditions in the localities in which these ventures operate. As of June 30, 2023 and December 31, 2022, investments at fair value using NAV were $314.1 million and $284.6 million, respectively. As these investments are not required to be classified in the fair value hierarchy, they have been excluded from the following table.

Recurring Fair Value Measurements

The following table categorizes by level in the fair value hierarchy the estimated fair value of our assets and liabilities measured at fair value on a recurring basis.

	June 30, 2023			December 31, 2022		
(in millions)	**Level 1**	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Assets						
Investments - fair value	**$ 50.3**	**—**	**438.1**	58.3	—	452.0
Foreign currency forward contracts receivable	**—**	**4.2**	**—**	—	3.7	—
Warehouse receivables	**—**	**1,049.0**	**—**	—	463.2	—
Deferred compensation plan assets	**—**	**559.5**	**—**	—	517.9	—
Mortgage banking derivative assets	**—**	**—**	**198.7**	—	—	190.2
Total assets at fair value	**$ 50.3**	**1,612.7**	**636.8**	58.3	984.8	642.2
Liabilities						
Foreign currency forward contracts payable	**$ —**	**9.2**	**—**	—	4.8	—
Deferred compensation plan liabilities	**—**	**517.1**	**—**	—	485.4	—
Earn-out liabilities	**—**	**—**	**64.3**	—	—	73.2
Mortgage banking derivative liabilities	**—**	**—**	**139.6**	—	—	169.5
Total liabilities at fair value	**$ —**	**526.3**	**203.9**	—	490.2	242.7

Investments

We classify one investment as Level 1 in the fair value hierarchy as a quoted price is readily available. We increase or decrease our investment each reporting period by the change in the fair value of the investment. We report the fair value adjustments in our Condensed Consolidated Statements of Comprehensive Income within Equity earnings.

Investments classified as Level 3 in the fair value hierarchy represent investments in early to mid-stage non-public entities where we elected the fair value option. To the extent there are changes in fair value, we recognize such changes through Equity earnings/losses. Such changes are generally the result of pricing in subsequent funding rounds, changes in business strategy or performance updates from the investee, several of which occurred in the second quarter of 2023. For most of our investments, the carrying value was deemed to approximate fair value due to the proximity of the investment date, or date of most recent financing raise, to the balance sheet date, as well as consideration of investee-level performance updates.

Foreign Currency Forward Contracts

We regularly use foreign currency forward contracts to manage our currency exchange rate risk related to intercompany lending and cash management practices. We determine the fair values of these contracts based on current market rates. The inputs for these valuations are Level 2 inputs in the fair value hierarchy. The following table details the gross notional value and net basis of these contracts.

(in billions)	**June 30, 2023**	December 31, 2022
Foreign currency forward contracts, gross notional value	**$ 1.76**	1.81
Foreign currency forward contracts, net basis	**1.08**	1.02

We record the asset and liability positions for our foreign currency forward contracts based on the net payable or net receivable position with the financial institutions from which we purchase these contracts. The outstanding balances of these contracts are presented in the following table.

(in millions)		**June 30, 2023**	December 31, 2022
Net asset, receivable positions	**$**	**5.4**	7.7
Net asset, payable positions		**(1.2)**	(4.0)
Foreign currency forward contracts receivable	**$**	**4.2**	3.7
Net liability, receivable positions	**$**	**(1.7)**	(1.6)
Net liability, payable positions		**10.9**	6.4
Foreign currency forward contracts payable	**$**	**9.2**	4.8

Warehouse Receivables

As of June 30, 2023 and December 31, 2022, all of our Warehouse receivables were under commitment to be purchased by government-sponsored enterprises ("GSEs") or by a qualifying investor as part of a U.S. government or GSE mortgage-backed security program.

Deferred Compensation

We maintain a deferred compensation plan for certain of our U.S. employees that allows them to defer portions of their compensation. We recorded this plan on our Condensed Consolidated Balance Sheet as Deferred compensation plan assets, long-term deferred compensation plan liabilities, included in Deferred compensation, and as a reduction of equity, Shares held in trust. The components of the plan are presented in the following table.

(in millions)		**June 30, 2023**	December 31, 2022
Deferred compensation plan assets	**$**	**559.5**	517.9
Long-term deferred compensation plan liabilities		**517.1**	485.4
Shares held in trust		**11.6**	9.8

Earn-Out Liabilities

We classify our Earn-out liabilities within Level 3 in the fair value hierarchy because the inputs we use to develop the estimated fair value include unobservable inputs. See Note 5, Business Combinations, Goodwill and Other Intangible Assets, for additional discussion of our Earn-out liabilities.

Mortgage Banking Derivatives

Both our interest rate lock commitments to prospective borrowers and forward sale contracts with prospective investors are undesignated derivatives and considered Level 3 valuations due to significant unobservable inputs related to counterparty credit risk. An increase in counterparty credit risk assumptions would result in a lower fair value measurement.

The tables below present a reconciliation for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

(in millions)	Balance as of March 31, 2023	**Net change in fair value**	**Foreign CTA[1]**	**Purchases / Additions**	**Settlements**	**Transfers In[2]**	**Balance as of June 30, 2023**
Investments	$ 466.5	**(103.9)**	**0.7**	**11.0**	**—**	**63.8**	**$ 438.1**
Mortgage banking derivative assets and liabilities, net	12.8	**43.9**	**—**	**37.4**	**(35.0)**	**—**	**59.1**
Earn-out liabilities	73.1	**(0.6)**	**—**	**—**	**(8.2)**	**—**	**64.3**

(in millions)	Balance as of March 31, 2022	Net change in fair value	Foreign CTA[1]	Purchases / Additions	Settlements	Balance as of June 30, 2022
Investments	$ 344.2	45.3	—	71.1	(0.2)	$ 460.4
Mortgage banking derivative assets and liabilities, net	37.1	2.2	—	48.4	(66.1)	21.6
Earn-out liabilities	79.5	1.0	(0.3)	—	(5.3)	74.9

(in millions)	Balance as of December 31, 2022	**Net change in fair value**	**Foreign CTA[1]**	**Purchases / Additions**	**Settlements**	**Transfers In[2]**	**Balance as of June 30, 2023**
Investments	$ 452.0	**(99.0)**	**1.2**	**20.1**	**—**	**63.8**	**$ 438.1**
Mortgage banking derivative assets and liabilities, net	20.7	**38.9**	**—**	**68.5**	**(69.0)**	**—**	**59.1**
Earn-out liabilities	73.2	**(0.6)**	**0.2**	**—**	**(8.5)**	**—**	**64.3**

(in millions)	Balance as of December 31, 2021	Net change in fair value	Foreign CTA[1]	Purchases / Additions	Settlements	Balance as of June 30, 2022
Investments	$ 303.5	62.5	—	94.6	(0.2)	$ 460.4
Mortgage banking derivative assets and liabilities, net	21.9	22.6	—	86.0	(108.9)	21.6
Earn-out liabilities	84.1	0.3	(0.4)	2.0	(11.1)	74.9

(1) CTA: Currency translation adjustments

(2) In the second quarter of 2023, Notes receivable (inclusive of accrued interest) converted to equity upon maturity and was classified as a Level 3 investment immediately.

Net change in fair value, included in the tables above, is reported in Net income as follows.

Category of Assets/Liabilities using Unobservable Inputs	**Condensed Consolidated Statements of Comprehensive Income Account Caption**
Earn-out liabilities (Short-term and Long-term)	Restructuring and acquisition charges
Investments	Equity earnings
Other current assets - Mortgage banking derivative assets	Revenue
Other current liabilities - Mortgage banking derivative liabilities	Revenue

Non-Recurring Fair Value Measurements

We review our investments, except those investments otherwise reported at fair value, on a quarterly basis, or as otherwise deemed necessary, for indications of whether we may be unable to recover the carrying value of our investments and whether such investments are other than temporarily impaired. When the carrying amount of the investment is in excess of the estimated future undiscounted cash flows, we use a discounted cash flow approach or other acceptable method to determine the fair value of the investment in computing the amount of the impairment. Our determination of fair value primarily relies on Level 3 inputs. We did not recognize any significant investment-level impairment losses during either of the six months ended June 30, 2023 or 2022. See Note 6, Investments, for additional information, including information related to impairment charges recorded at the investee level.

9. DEBT

Debt is composed of the following obligations.

($ in millions)		**June 30, 2023**	December 31, 2022
Short-term debt:			
Local overdraft facilities	**$**	**13.0**	21.2
Other short-term borrowings		**99.1**	143.0
Total short-term debt	**$**	**112.1**	164.2
Credit facility, net of debt issuance costs of $9.5 and $11.2		**1,840.5**	1,213.8
Long-term senior notes, 1.96%, face amount of €175.0, due June 2027, net of debt issuance costs of $0.5 and $0.5		**190.4**	186.5
Long-term senior notes, 2.21%, face amount of €175.0, due June 2029, net of debt issuance costs of $0.6 and $0.6		**190.3**	186.3
Total debt	**$**	**2,333.3**	1,750.8

Credit Facilities

We have a $3.35 billion unsecured revolving credit facility (the "Facility") that matures on April 14, 2026. Pricing on the Facility ranges from Adjusted Term Secured Overnight Financing Rate ("SOFR") plus 0.875% to 1.35%, with pricing as of June 30, 2023 at Adjusted Term SOFR plus 0.99%. In addition to outstanding borrowings under the Facility presented in the above table, we had outstanding letters of credit under the Facility of $0.4 million as of both June 30, 2023 and December 31, 2022.

In addition, we have an uncommitted credit agreement (the "Uncommitted Facility"), which allows for discretionary short-term liquidity of up to $400.0 million. Interest and fees are set at the time of utilization and calculated on a 360-day basis. Between quarter-end dates, we intend to use the proceeds to reduce indebtedness under the Facility at a lower interest rate. As such, the Uncommitted Facility had no outstanding balance as of both June 30, 2023 and December 31, 2022.

The following table provides additional information on our Facility and Uncommitted Facility, collectively.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
($ in millions)	**2023**	2022	**2023**	2022
Average outstanding borrowings	**$ 2,315.8**	1,581.9	**$ 2,019.5**	1,135.0
Average effective interest rate	**5.9 %**	1.6 %	**5.7 %**	1.4 %

We will continue to use the Facility for, but not limited to, business acquisitions, working capital needs (including payment of accrued incentive compensation), co-investment activities, share repurchases and capital expenditures.

Short-Term and Long-Term Debt

In addition to our credit facilities, we have the capacity to borrow up to an additional $53.8 million under local overdraft facilities. Amounts outstanding are presented in the debt table above.

As of June 30, 2023, our issuer and senior unsecured ratings are investment grade: Baa1 from Moody’s Investors Service, Inc. and BBB+ from Standard & Poor’s Ratings Services.

Covenants

Our Facility and senior notes are subject to customary financial and other covenants, including cash interest coverage ratios and leverage ratios, as well as event of default conditions. We remained in compliance with all covenants as of June 30, 2023.

Warehouse Facilities

	June 30, 2023		December 31, 2022	
($ in millions)	**Outstanding Balance**	**Maximum Capacity**	Outstanding Balance	Maximum Capacity
Warehouse facilities:				
BSBY[1] plus 1.30%, expires September 18, 2023	**$ 397.2**	**700.0**	215.7	700.0
SOFR plus 1.30%, expires September 15, 2023	**387.4**	**1,200.0**	132.3	1,200.0
SOFR plus 1.40%, expires July 28, 2023[2]	**78.7**	**400.0**	9.0	400.0
Fannie Mae ASAP[3] program, SOFR plus 1.25%	**78.7**	**n/a**	99.2	n/a
Gross warehouse facilities	**942.0**	**2,300.0**	456.2	2,300.0
Debt issuance costs	**(0.2)**	**n/a**	(0.9)	n/a
Total warehouse facilities	**$ 941.8**	**2,300.0**	455.3	2,300.0

(1) Bloomberg Short-Term Bank Yield Index rate ("BSBY")

(2) In July 2023, we extended the term of the Warehouse facility to July 26, 2024.

(3) As Soon As Pooled ("ASAP") funding program.

We have lines of credit established for the sole purpose of funding our Warehouse receivables. These lines of credit exist with financial institutions and are secured by the related warehouse receivables. Pursuant to these facilities, we are required to comply with certain financial covenants regarding (i) minimum net worth, (ii) minimum servicing-related loans and (iii) minimum adjusted leverage ratios. We remained in compliance with all covenants under our facilities as of June 30, 2023.

10. COMMITMENTS AND CONTINGENCIES

We are a defendant in various litigation matters arising in the ordinary course of business, some of which involve claims for damages that are substantial in amount.

Professional Indemnity Insurance

In order to better manage our global insurance program and support our risk management efforts, we supplement our traditional insurance coverage for certain types of claims by using a wholly-owned captive insurance company. The level of risk retained by our captive insurance company, with respect to professional indemnity claims, is up to $10.0 million per claim, inclusive of the deductible. We contract third-party insurance companies to provide coverage of risk in excess of this amount. When a potential loss event occurs, we estimate the ultimate cost of the claim and accrue the amount in Other current and long-term liabilities on our Condensed Consolidated Balance Sheets when probable and estimable. In addition, we have established receivables from third-party insurance providers for claim amounts in excess of the risk retained by our captive insurance company. As of June 30, 2023 and December 31, 2022, these receivables were $2.2 million and $22.5 million, respectively, and are included in Notes and other receivables on our Condensed Consolidated Balance Sheets.

The following table shows the professional indemnity accrual activity and related payments.

(in millions)		
December 31, 2022	$	2.2
New claims		**0.3**
Prior year claims adjustments (including foreign currency changes)		**4.4**
Claims paid		**—**
June 30, 2023	**$**	**6.9**
December 31, 2021	$	1.2
New claims		—
Prior year claims adjustments (including foreign currency changes)		(0.1)
Claims paid		—
June 30, 2022	$	1.1

Delegated Underwriting and Servicing ("DUS") Program Loan Loss-Sharing

As a participant in the DUS program, we retain a portion of the risk of loss for loans that are originated and sold under the DUS program. Net losses on defaulted loans are shared with Fannie Mae based upon established loss-sharing ratios. Generally, we share approximately one-third of incurred losses, subject to a cap of 20% of the principal balance of the mortgage at origination. As of June 30, 2023 and December 31, 2022, we had loans, funded and sold, subject to such loss-sharing arrangements with an aggregate unpaid principal balance of $19.9 billion and $18.3 billion, respectively.

For all DUS program loans with loss-sharing obligations, we record a non-contingent liability equal to the estimated fair value of the guarantee obligations undertaken upon sale of the loan, which reduces our gain on sale of the loan. Subsequently, this liability is amortized over the estimated life of the loan and recognized as Revenue on the Condensed Consolidated Statements of Comprehensive Income. As of June 30, 2023 and December 31, 2022, the loss-sharing guarantee obligations were $30.2 million and $29.0 million, respectively, and are included in Other liabilities on our Condensed Consolidated Balance Sheets. There were no loan losses incurred during the six months ended June 30, 2023 and 2022.

The loss-sharing aspect of the program represents an off-balance sheet credit exposure. We record a separate contingent reserve for this risk calculated on an individual loan level. The loan loss guarantee reserve was $24.8 million as of both June 30, 2023 and December 31, 2022, and is included within Other liabilities on our Condensed Consolidated Balance Sheets.

11. RESTRUCTURING AND ACQUISITION CHARGES

Restructuring and acquisition charges include cash and non-cash expenses. Cash-based charges primarily consist of (i) severance and employment-related charges, including those related to external service providers, incurred in conjunction with a structural business shift, which can be represented by a notable change in headcount, change in leadership, or transformation of business processes, (ii) acquisition, transaction and integration-related charges, and (iii) other restructuring including lease exit charges. Non-cash charges include (i) stock-based compensation expense for retention awards issued in conjunction with prior-period acquisitions and (ii) fair value adjustments to earn-out liabilities relating to prior-period acquisition activity. Restructuring and acquisition charges are presented in the table below.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Severance and other employment-related charges	**$ 5.8**	8.3	**$ 31.5**	11.6
Restructuring, pre-acquisition and post-acquisition charges	**5.1**	13.9	**13.3**	28.1
Stock-based compensation expense for post-acquisition retention awards	**1.5**	2.7	**3.3**	5.4
Fair value adjustments to earn-out liabilities	**(0.6)**	1.0	**(0.6)**	0.3
Restructuring and acquisition charges	**$ 11.8**	25.9	**$ 47.5**	45.4

We expect nearly all expenses related to (i) severance and other employment-related charges and (ii) restructuring, pre-acquisition and post-acquisition charges as of June 30, 2023 will be paid during the next twelve months.

12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT

The tables below present the changes in Accumulated other comprehensive income (loss) ("AOCI") by component.

(in millions)	Pension and postretirement benefit	Cumulative foreign currency translation adjustment	Total
Balance as of March 31, 2023	$ (64.2)	(557.2)	$ (621.4)
Other comprehensive (loss) income before reclassification	**(1.1)**	**11.1**	**10.0**
Amounts reclassified from AOCI after tax expense of $ -, $ - and $ -	**—**	**—**	**—**
Other comprehensive (loss) income after tax expense of $ - , $ - and $ -	**(1.1)**	**11.1**	**10.0**
Balance as of June 30, 2023	**$ (65.3)**	**(546.1)**	**$ (611.4)**

(in millions)	Pension and postretirement benefit	Cumulative foreign currency translation adjustment	Total
Balance as of March 31, 2022	$ (42.7)	(376.8)	$ (419.5)
Other comprehensive loss before reclassification	—	(164.4)	(164.4)
Amounts reclassified from AOCI after tax expense of $ - , $ - and $ -	—	—	—
Other comprehensive loss after tax expense of $ - , $ - and $ -	—	(164.4)	(164.4)
Balance as of June 30, 2022	$ (42.7)	(541.2)	$ (583.9)

(in millions)	Pension and postretirement benefit	Cumulative foreign currency translation adjustment	Total
Balance as of December 31, 2022	$ (64.2)	(584.0)	$ (648.2)
Other comprehensive (loss) income before reclassification	**(1.1)**	**37.9**	**36.8**
Amounts reclassified from AOCI after tax expense of $ - , $ - and $ -	**—**	**—**	**—**
Other comprehensive (loss) income after tax expense of $ - , $ - and $ -	**(1.1)**	**37.9**	**36.8**
Balance as of June 30, 2023	**$ (65.3)**	**(546.1)**	**$ (611.4)**

(in millions)	Pension and postretirement benefit	Cumulative foreign currency translation adjustment	Total
Balance as of December 31, 2021	$ (42.7)	(352.7)	$ (395.4)
Other comprehensive loss before reclassification	—	(188.5)	(188.5)
Amounts reclassified from AOCI after tax expense of $ - , $ - and $ -	—	—	—
Other comprehensive loss after tax expense of $ - , $ - and $ -	—	(188.5)	(188.5)
Balance as of June 30, 2022	$ (42.7)	(541.2)	$ (583.9)

For pension and postretirement benefits, we report amounts reclassified from Accumulated other comprehensive income (loss) in Other income within the Condensed Consolidated Statements of Comprehensive Income.

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

The following discussion and analysis should be read in conjunction with the Condensed Consolidated Financial Statements, including the notes thereto, for the three and six months ended June 30, 2023, and our audited Consolidated Financial Statements, including the notes thereto, for the fiscal year ended December 31, 2022, which are included in our 2022 Annual Report on Form 10-K, filed with the SEC and also available on our website (www.jll.com). You should also refer to Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our 2022 Annual Report on Form 10-K.

The following discussion and analysis contains certain forward-looking statements generally identified by the words anticipates, believes, estimates, expects, forecasts, plans, intends and other similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause JLL's actual results, performance, achievements, plans and objectives to be materially different from any future results, performance, achievements, plans and objectives expressed or implied by such forward-looking statements. See the Cautionary Note Regarding Forward-Looking Statements included within this section for further information.

We present our quarterly Management's Discussion and Analysis in the following sections:

(1) A summary of our critical accounting policies and estimates;

(2) Certain items affecting the comparability of results and certain market and other risks we face;

(3) The results of our operations, first on a consolidated basis and then for each of our business segments; and

(4) Liquidity and capital resources.

SUMMARY OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

An understanding of our accounting policies is necessary for a complete analysis of our results, financial position, liquidity and trends. See Note 2, Summary of Significant Accounting Policies, of the Notes to Consolidated Financial Statements in our 2022 Annual Report on Form 10-K for a complete summary of our significant accounting policies.

The preparation of our financial statements requires management to make certain critical accounting estimates and judgments that impact (1) the stated amount of assets and liabilities, (2) disclosure of contingent assets and liabilities at the date of the financial statements, and (3) the reported amount of revenue and expenses during the reporting periods. These accounting estimates are based on management's judgment. We consider them to be critical because of their significance to the financial statements and the possibility that future events may differ from current judgments or that the use of different assumptions could result in materially different estimates. We review these estimates on a periodic basis to ensure reasonableness. Although actual amounts likely differ from such estimated amounts, we believe such differences are not likely to be material.

A discussion of our critical accounting policies and estimates used in the preparation of our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q can be found in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to these critical accounting policies and estimates during the six months ended June 30, 2023.

ITEMS AFFECTING COMPARABILITY

Macroeconomic Conditions

Our results of operations and the variability of these results are significantly influenced by (1) macroeconomic trends, (2) the geopolitical environment, (3) the global and regional real estate markets, and (4) the financial and credit markets. These macroeconomic and other conditions have had, and we expect will continue to have, a significant impact on the variability of our results of operations.

Acquisitions and Dispositions

The timing of acquisitions and dispositions may impact the comparability of our results on a year-over-year basis. Our results include incremental revenues and expenses following the completion date of an acquisition. Relating to dispositions, comparable results will include the revenues and expenses of recent dispositions and results may also include gains (losses) on the disposition. In addition, there is generally an initial adverse impact on net income from an acquisition as a result of pre-acquisition due diligence expenditures, transaction/deal costs and post-acquisition integration costs, such as fees from third-party advisors engaged to assist with onboarding and process alignment, retention and severance expense, early lease termination costs, and other integration expenses. For dispositions, we may also incur such incremental costs during the disposition process and these costs could have an adverse impact on net income.

Equity Earnings and Incentive Fees

Equity earnings may vary substantially from period to period for a variety of reasons, including as a result of (i) valuation increases (decreases) on investments reported at fair value, (ii) gains (losses) on asset dispositions and (iii) impairment charges. The timing of recognition of these items may impact comparability between quarters, in any one year, or compared with a prior year.

LaSalle, our investment management business, is in part compensated through incentive fees where performance of underlying funds' investments exceeds agreed-to return hurdles. Depending upon performance, disposition activity and the contractual timing of measurement periods with clients, these fees can be significant and may vary substantially from period to period.

The comparability of these items can be seen in Note 4, Business Segments, of the Notes to Condensed Consolidated Financial Statements and is discussed further in Segment Operating Results included herein.

Foreign Currency

We conduct business using a variety of currencies, but we report our results in U.S. dollars. As a result, the volatility of currencies against the U.S. dollar may positively or negatively impact our results. This volatility can make it more difficult to perform period-to-period comparisons of the reported U.S. dollar results of operations, because such results may indicate a growth or decline rate that might not have been consistent with the real underlying growth or decline rates in the local operations. Consequently, we provide information about the impact of foreign currencies in the period-to-period comparisons of the reported results of operations in our discussion and analysis of financial condition in the Results of Operations section below.

Transaction-Based Revenue

Transaction-based fees, which are impacted by the size and timing of our clients' transactions, from real estate investment banking, capital markets activities and other services within our segments, increase the variability of the revenue we earn. The timing and the magnitude of these fees can vary significantly from year to year and quarter to quarter, and from region to region.

Seasonality

Historically, our quarterly revenue and profits have tended to increase from quarter to quarter as the year progresses. This is a result of a general focus in the real estate industry on completing or documenting transactions by calendar year end and the fact that certain expenses are constant through the year. In addition, this seasonality excludes the recognition of investment-generated performance fees as well as realized and unrealized co-investment equity earnings and losses (the timing of each of these can fluctuate based on a variety of factors). Generally, we recognize incentive fees when assets are sold, the timing of which is geared toward the benefit of our clients. In addition, co-investment equity gains and losses are primarily dependent on valuations of underlying investments, the direction and magnitude of changes to such valuations fluctuate based on a variety of factors. Non-variable operating expenses, which we treat as expenses when incurred during the year, are relatively constant on a quarterly basis.

A significant portion of our Compensation and benefits expense is from incentive compensation plans, which we generally accrue throughout the year based on progress toward annual performance targets. This quarterly estimation can result in significant fluctuations in quarterly Compensation and benefits expense from period to period. Consequently, the results for the periods ended June 30, 2023 and 2022 are not fully indicative of the results we expect to realize for the full fiscal year.

RESULTS OF OPERATIONS

Definitions

- Assets under management data for LaSalle is reported on a one-quarter lag.
- MENA: Middle East & North Africa
- n.m.: not meaningful, represented by a percentage change of greater than 1,000% or a change in margin of greater than 10,000 basis points ("bps"), favorable or unfavorable.

Consolidated Operating Results

($ in millions)		Three Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Markets Advisory	$	**1,025.4**	1,118.2	**(92.8)**	**(8)%**	**(7)%**
Capital Markets		**448.0**	684.5	**(236.5)**	**(35)**	**(34)**
Work Dynamics		**3,374.6**	3,310.5	**64.1**	**2**	**3**
JLL Technologies		**60.6**	50.7	**9.9**	**20**	**20**
LaSalle		**143.9**	114.5	**29.4**	**26**	**26**
Revenue	$	**5,052.5**	5,278.4	**(225.9)**	**(4)%**	**(4)%**
Gross contract costs		**(3,205.8)**	(3,128.4)	**(77.4)**	**2**	**3**
Net non-cash MSR and mortgage banking derivative activity		**0.6**	(11.2)	**11.8**	**(105)**	**(106)**
Fee revenue	$	**1,847.3**	2,138.8	**(291.5)**	**(14)%**	**(13)%**
Markets Advisory		***741.1***	*855.8*	***(114.7)***	***(13)***	***(13)***
Capital Markets		***435.5***	*660.7*	***(225.2)***	***(34)***	***(34)***
Work Dynamics		***477.8***	*467.0*	***10.8***	***2***	***3***
JLL Technologies		***56.5***	*48.0*	***8.5***	***18***	***18***
LaSalle		***136.4***	*107.3*	***29.1***	***27***	***28***
Compensation and benefits, excluding gross contract costs	$	**1,332.5**	1,530.4	**(197.9)**	**(13)%**	**(12)%**
Operating, administrative and other expenses, excluding gross contract costs		**293.3**	303.2	**(9.9)**	**(3)**	**(2)**
Depreciation and amortization		**59.9**	55.4	**4.5**	**8**	**9**
Restructuring and acquisition charges		**11.8**	25.9	**(14.1)**	**(54)**	**(57)**
Total fee-based operating expenses		**1,697.5**	1,914.9	**(217.4)**	**(11)**	**(11)**
Gross contract costs		**3,205.8**	3,128.4	**77.4**	**2**	**3**
Total operating expenses	$	**4,903.3**	5,043.3	**(140.0)**	**(3)%**	**(2)%**
Operating income	$	**149.2**	235.1	**(85.9)**	**(37)%**	**(37)%**
Equity (losses) earnings	$	**(103.5)**	53.6	**(157.1)**	**(293)%**	**(293)%**
Adjusted EBITDA	$	**116.1**	359.0	**(242.9)**	**(68)%**	**(68)%**
Net income margin attributable to common shareholders (USD basis)		**— %**	3.7 %		**(370) bps**	**n/a**
Adjusted EBITDA margin (local currency basis)		**6.2 %**	16.8 %		**(1,050) bps**	**(1,060) bps**
Adjusted EBITDA margin (USD basis)		**6.3 %**				

Consolidated Operating Results (continued)

($ in millions)		Six Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Markets Advisory	$	**1,931.8**	2,117.7	**(185.9)**	**(9)%**	**(7)%**
Capital Markets		**805.1**	1,285.1	**(480.0)**	**(37)**	**(36)**
Work Dynamics		**6,650.8**	6,344.1	**306.7**	**5**	**7**
JLL Technologies		**122.0**	100.1	**21.9**	**22**	**22**
LaSalle		**258.3**	232.8	**25.5**	**11**	**13**
Revenue	$	**9,768.0**	10,079.8	**(311.8)**	**(3)%**	**(2)%**
Gross contract costs		**(6,339.1)**	(6,032.9)	**(306.2)**	**5**	**7**
Net non-cash MSR and mortgage banking derivative activity		**2.4**	(7.6)	**10.0**	**(132)**	**(132)**
Fee revenue	$	**3,431.3**	4,039.3	**(608.0)**	**(15)%**	**(14)%**
Markets Advisory		***1,368.4***	*1,597.0*	***(228.6)***	***(14)***	***(13)***
Capital Markets		***785.1***	*1,252.2*	***(467.1)***	***(37)***	***(36)***
Work Dynamics		***919.8***	*877.5*	***42.3***	***5***	*7*
JLL Technologies		***114.3***	*93.3*	***21.0***	***23***	***23***
LaSalle		***243.7***	*219.3*	***24.4***	***11***	***14***
Compensation and benefits, excluding gross contract costs	$	**2,512.6**	2,908.2	**(395.6)**	**(14)%**	**(12)%**
Operating, administrative and other expenses, excluding gross contract costs		**584.4**	572.7	**11.7**	**2**	**4**
Depreciation and amortization		**117.4**	109.8	**7.6**	**7**	**9**
Restructuring and acquisition charges		**47.5**	45.4	**2.1**	**5**	**6**
Total fee-based operating expenses		**3,261.9**	3,636.1	**(374.2)**	**(10)**	**(9)**
Gross contract costs		**6,339.1**	6,032.9	**306.2**	**5**	**7**
Total operating expenses	$	**9,601.0**	9,669.0	**(68.0)**	**(1)%**	**1 %**
Operating income	$	**167.0**	410.8	**(243.8)**	**(59)%**	**(61)%**
Equity (losses) earnings	$	**(106.1)**	72.1	**(178.2)**	**(247)%**	**(247)%**
Adjusted EBITDA	$	**225.1**	632.6	**(407.5)**	**(64)%**	**(65)%**
Net (loss) income margin attributable to common shareholders (USD basis)		**(0.1)%**	3.4 %		**(350) bps**	**n/a**
Adjusted EBITDA margin (local currency basis)		**6.3 %**	15.7 %		**(910) bps**	**(940) bps**
Adjusted EBITDA margin (USD basis)		**6.6 %**				

Non-GAAP Financial Measures

Management uses certain non-GAAP financial measures to develop budgets and forecasts, measure and reward performance against those budgets and forecasts, and enhance comparability to prior periods. These measures are believed to be useful to investors and other external stakeholders as supplemental measures of core operating performance and include the following:

- Fee revenue and Fee-based operating expenses;
- Adjusted EBITDA attributable to common shareholders ("Adjusted EBITDA") and Adjusted EBITDA margin (measured on fee revenue); and
- Percentage changes against prior periods, presented on a local currency basis.

However, non-GAAP financial measures should not be considered alternatives to measures determined in accordance with U.S. GAAP. Any measure that eliminates components of a company's capital structure, cost of operations or investments, or other results has limitations as a performance measure. In light of these limitations, management also considers U.S. GAAP financial measures and does not rely solely on non-GAAP financial measures. Because our non-GAAP financial measures are not calculated in accordance with U.S. GAAP, they may not be comparable to similarly titled measures used by other companies.

Adjustments to U.S. GAAP Financial Measures Used to Calculate non-GAAP Financial Measures

Gross contract costs represent certain costs associated with client-dedicated employees and third-party vendors and subcontractors and are directly or indirectly reimbursed through the fees we receive. These costs are presented on a gross basis in Operating expenses with the equal amount of corresponding fees in Revenue. Excluding gross contract costs from both Fee revenue and Fee-based operating expenses more accurately reflects how we manage our expense base and operating margins and also enables a more consistent performance assessment across a portfolio of contracts with varying payment terms and structures.

Net non-cash MSR and mortgage banking derivative activity consists of the balances presented within Revenue composed of (i) derivative gains/losses resulting from mortgage banking loan commitment and warehousing activity and (ii) gains recognized from the retention of MSR upon origination and sale of mortgage loans, offset by (iii) amortization of MSR intangible assets over the period that net servicing income is projected to be received. Non-cash derivative gains/losses resulting from mortgage banking loan commitment and warehousing activity are calculated as the estimated fair value of loan commitments and subsequent changes thereof, primarily represented by the estimated net cash flows associated with future servicing rights. MSR gains and corresponding MSR intangible assets are calculated as the present value of estimated net cash flows over the estimated mortgage servicing periods. The above activity is reported entirely within Revenue of the Capital Markets segment. Excluding net non-cash MSR and mortgage banking derivative activity reflects how we manage and evaluate performance because the excluded activity is non-cash in nature.

Restructuring and acquisition charges primarily consist of (i) severance and employment-related charges, including those related to external service providers, incurred in conjunction with a structural business shift, which can be represented by a notable change in headcount, change in leadership or transformation of business processes; (ii) acquisition, transaction and integration-related charges, including fair value adjustments, which are generally non-cash in the periods such adjustments are made, to assets and liabilities recorded in purchase accounting such as earn-out liabilities and intangible assets; and (iii) other restructuring, including lease exit charges. Such activity is excluded as the amounts are generally either non-cash in nature or the anticipated benefits from the expenditures would not likely be fully realized until future periods. Restructuring and acquisition charges are excluded from segment operating results and therefore not a line item in the segments' reconciliation to Adjusted EBITDA.

Gain/loss on disposition reflects the gain or loss recognized on the sale or disposition of businesses. Given the low frequency of business disposals by the company historically, the gain or loss directly associated with such activity is excluded as it is not considered indicative of core operating performance. In 2023, the $1.8 million loss related to the disposition of a business in Markets Advisory. In 2022, the $7.5 million net loss included $10.5 million of loss related to the disposition of the Russia business, partially offset by a $3.0 million gain related to a disposition within JLL Technologies.

Interest on Employee Loans, Net of Forgiveness reflects interest accrued on employee loans less the amount of accrued interest forgiven. Certain employees (predominantly in Leasing and Capital Markets) receive cash payments structured as loans, with interest. Employees earn forgiveness of the loan based on performance, generally calculated as a percentage of revenue production. Such forgiven amounts are reflected in Compensation and benefits expense. Given the interest accrued on these employee loans and subsequent forgiveness are non-cash and the amounts perfectly offset over the life of the loan, the activity is not indicative of core operating performance and is excluded from non-GAAP measures.

Reconciliation of Non-GAAP Financial Measures

Below are reconciliations of (i) Revenue to Fee revenue and (ii) Operating expenses to Fee-based operating expenses.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Revenue	**$ 5,052.5**	5,278.4	**$ 9,768.0**	10,079.8
Adjustments:				
Gross contract costs	**(3,205.8)**	(3,128.4)	**(6,339.1)**	(6,032.9)
Net non-cash MSR and mortgage banking derivative activity	**0.6**	(11.2)	**2.4**	(7.6)
Fee revenue	**$ 1,847.3**	2,138.8	**$ 3,431.3**	4,039.3
Operating expenses	**$ 4,903.3**	5,043.3	**$ 9,601.0**	9,669.0
***Less:* Gross contract costs**	**(3,205.8)**	(3,128.4)	**(6,339.1)**	(6,032.9)
Fee-based operating expenses	**$ 1,697.5**	1,914.9	**$ 3,261.9**	3,636.1
Operating income	**$ 149.2**	235.1	**$ 167.0**	410.8

Below is a reconciliation of Net income (loss) attributable to common shareholders to EBITDA and Adjusted EBITDA.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2023**	2022	**2023**	2022
Net income (loss) attributable to common shareholders	**$ 2.5**	193.9	**$ (6.7)**	339.5
Add:				
Interest expense, net of interest income	**40.5**	15.7	**66.8**	25.9
Income tax provision (benefit)	**0.8**	72.8	**(1.5)**	113.1
Depreciation and amortization[1]	**59.0**	54.4	**115.5**	108.8
EBITDA	**$ 102.8**	336.8	**$ 174.1**	587.3
Adjustments:				
Restructuring and acquisition charges	**11.8**	25.9	**47.5**	45.4
Net loss on disposition	**1.8**	7.5	**1.8**	7.5
Net non-cash MSR and mortgage banking derivative activity	**0.6**	(11.2)	**2.4**	(7.6)
Interest on employee loans, net of forgiveness	**(0.9)**	—	**(0.7)**	—
Adjusted EBITDA	**$ 116.1**	359.0	**$ 225.1**	632.6

(1) This adjustment excludes the noncontrolling interest portion of amortization of acquisition-related intangibles which is not attributable to common shareholders.

In discussing our operating results, we report Adjusted EBITDA margins and refer to percentage changes in local currency, unless otherwise noted. Amounts presented on a local currency basis are calculated by translating the current period results of our foreign operations to U.S. dollars using the foreign currency exchange rates from the comparative period. We believe this methodology provides a framework for assessing performance and operations excluding the effect of foreign currency fluctuations.

The following table reflects the reconciliation to local currency amounts for consolidated (i) Revenue, (ii) Fee revenue, (iii) Operating income and (iv) Adjusted EBITDA.

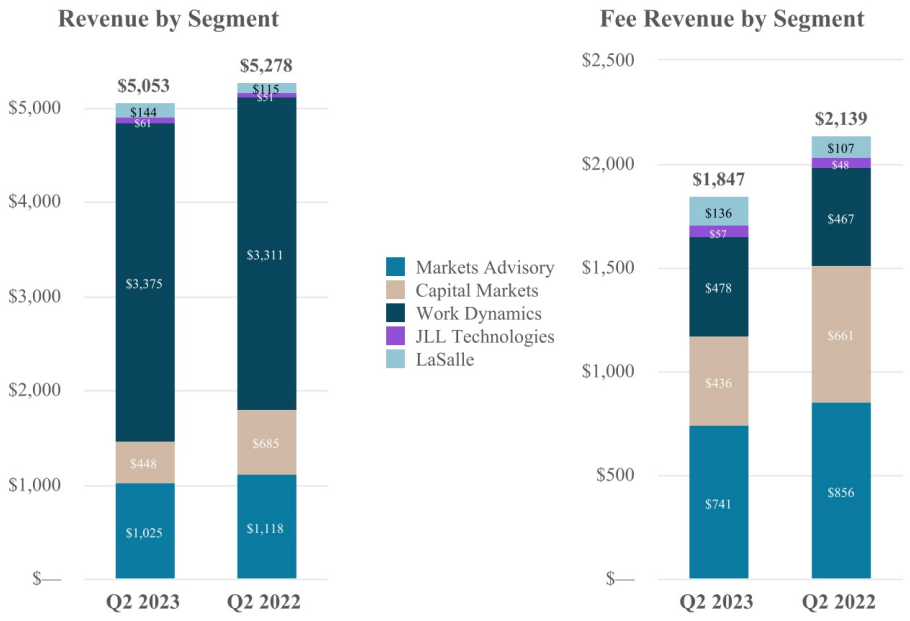
	Three Months Ended June 30,		Six Months Ended June 30,	
($ in millions)	2023	% Change	2023	% Change
Revenue:				
At current period exchange rates	$ 5,052.5	(4)%	$ 9,768.0	(3)%
Impact of change in exchange rates	37.5	n/a	158.1	n/a
At comparative period exchange rates	$ 5,090.0	(4)%	$ 9,926.1	(2)%
Fee revenue:				
At current period exchange rates	$ 1,847.3	(14)%	$ 3,431.3	(15)%
Impact of change in exchange rates	9.5	n/a	50.3	n/a
At comparative period exchange rates	$ 1,856.8	(13)%	$ 3,481.6	(14)%
Operating income:				
At current period exchange rates	$ 149.2	(37)%	$ 167.0	(59)%
Impact of change in exchange rates	(1.5)	n/a	(6.6)	n/a
At comparative period exchange rates	$ 147.7	(37)%	$ 160.4	(61)%
Adjusted EBITDA:				
At current period exchange rates	$ 116.1	(68)%	$ 225.1	(64)%
Impact of change in exchange rates	(1.1)	n/a	(4.1)	n/a
At comparative period exchange rates	$ 115.0	(68)%	$ 221.0	(65)%

Revenue

For the second quarter, revenue and fee revenue decreased 4% and 13%, respectively, compared with the prior-year quarter. Businesses with resilient revenues continued to deliver fee revenue growth for the quarter, as JLL Technologies grew 18%; Property Management, within Markets Advisory, grew 9%; and Workplace Management, within Work Dynamics, grew 2%. Consistent with the first quarter, economic headwinds and continued interest rate uncertainty adversely impacted most of our transaction-based businesses, notably Investment Sales and Debt/Equity Advisory within Capital Markets, Leasing within Markets Advisory, and Portfolio Services and Other within Work Dynamics. However, Project Management, within Work Dynamics, was up 8% due to continued demand in several geographies. LaSalle's double-digit top-line growth was attributable to higher incentive fees.

For the first half of 2023, consolidated revenue and fee revenue were down 2% and 14%, respectively, compared with 2022. The year-to-date drivers of change between the two years were similar to the quarter-to-date drivers noted above.

The following highlights revenue and fee revenue by segment, for the current and prior-year quarters ($ in millions). Refer to segment operating results for further detail.



Our consolidated fee revenue declined 14% in U.S. dollars (“USD”) and 13% in local currency for the second quarter of 2023, compared with 2022. Year-to-date, consolidated fee revenue declined 15% in USD and 14% in local currency compared with last year. The quarter-to-date and year-to-date spreads were relatively consistent given the mix of currencies which strengthened or weakened against the U.S. dollar.

Operating Expenses

Consolidated operating expenses were $4.9 billion for the second quarter, down 2% from 2022, and $9.6 billion for the first half of 2023, up 1% from 2022, while consolidated fee-based operating expenses were $1.7 billion for the second quarter, down 11% from the prior-year quarter, and $3.3 billion for the first six months of 2023, down 9%. The decrease in expenses was primarily attributable to our Capital Markets and Markets Advisory segments, partially offset by revenue-related expense growth in Work Dynamics and LaSalle. The decline in JLL Technologies expense was associated with carried interest.

For the second quarter of 2023, Restructuring and acquisition charges decreased compared with the prior-year period, driven by a (i) less expense associated with M&A activities, (ii) lower severance and other employment-related charges from cost-out actions and (iii) expenses in the prior year associated with the disposition of our business in Russia; refer to following table for further detail.

(in millions)	Three Months Ended June 30, 2023	2022	Six Months Ended June 30, 2023	2022
Severance and other employment-related charges	$ **5.8**	8.3	$ **31.5**	11.6
Restructuring, pre-acquisition and post-acquisition charges	**6.6**	16.6	**16.6**	33.5
Fair value adjustments that resulted in a net (decrease) increase to earn-out liabilities from prior-period acquisition activity	**(0.6)**	1.0	**(0.6)**	0.3
Total restructuring and acquisition charges	$ **11.8**	25.9	$ **47.5**	45.4

Interest Expense

Interest expense, net of interest income, for the three and six months ended June 30, 2023 was $40.5 million and $66.8 million compared with $15.7 million and $25.9 million in the prior-year periods. The increase reflected a higher effective interest rate on our facilities as well as an increase in the average outstanding borrowings. Refer to the Liquidity and Capital Resources section for additional details on our debt.

Equity (Losses) Earnings

The following details equity (losses) earnings by relevant segment. Refer to the segment discussions for additional details.

(in millions)	Three Months Ended June 30, 2023	2022	Six Months Ended June 30, 2023	2022
JLL Technologies	$ **(103.9)**	44.7	$ **(99.0)**	63.5
LaSalle	**(5.1)**	7.0	**(13.9)**	5.1
Other	**5.5**	1.9	**6.8**	3.5
Total equity (losses) earnings	$ **(103.5)**	53.6	$ **(106.1)**	72.1

Other (Expense) Income

Other non-operating expense was $1.2 million and $1.1 million for the three and six months ended June 30, 2023, compared with income of $135.3 million and $135.5 million for the comparable periods in 2022. During the second quarter of 2022, Other income included a $142.3 million gain by a consolidated variable interest entity in which we held no equity interest. This gain, therefore, is also included in net income attributable to noncontrolling interest, and as a result, there is no net impact to Net income attributable to common shareholders (or other measures like Adjusted EBITDA, Adjusted net income and Adjusted diluted earnings per share). Also in the second quarter of 2022, we recognized a $10.5 million loss related to the disposition of our Russia business.

Income Taxes

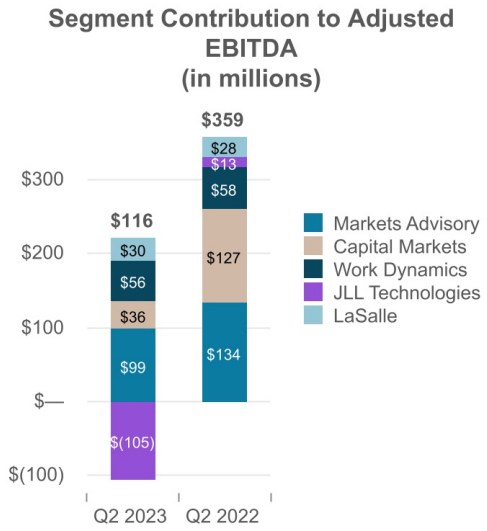
The income tax provision was $0.8 million for the three months ended June 30, 2023, while the income tax benefit was $1.5 million for the six months ended June 30, 2023, representing an effective tax rate ("ETR") of 21.0% for both periods. For the three and six months ended June 30, 2022, the income tax provision was $72.8 million and $113.1 million, representing an ETR of 17.8% and 19.1%, respectively.

Net Income (Loss) and Adjusted EBITDA

Net income attributable to common shareholders was $2.5 million for the three months ended June 30, 2023, compared with $193.9 million in the prior-year quarter. For the first half of 2023, net loss attributable to common shareholders was $6.7 million, compared with net income of $339.5 million in 2022. Adjusted EBITDA was $116.1 million and $225.1 million for the second quarter and first half of 2023, compared with $359.0 million and $632.6 million in the respective prior-year periods.

Net income margin attributable to common shareholders for the second quarter was zero, compared with 3.7% in the prior-year quarter. Adjusted EBITDA margin for the second quarter, calculated on a fee-revenue basis, was 6.3% in USD (6.2% in local currency), compared with 16.8% in 2022.

Approximately 740 basis points, or 70%, of the adjusted EBITDA margin contraction was driven by the change in equity earnings/losses, net of carried interest. The residual decline was primarily due to lower transaction-based revenue, specifically Investment Sales, Debt/Equity Advisory, and Leasing. In addition, recent cost reduction actions mostly offset investments to drive future growth.



Segment Operating Results

We manage and report our operations as five business segments: Markets Advisory, Capital Markets, Work Dynamics, JLL Technologies and LaSalle. Markets Advisory offers a wide range of real estate services, including agency leasing and tenant representation, property management, and advisory and consulting services. Our Capital Markets service offerings include investment sales, equity and debt advisory, loan servicing, and valuations. Our Work Dynamics business provides a broad suite of integrated services to occupiers of real estate, including facility and project management, as well as portfolio and other services. We consider "Property Management" to be services provided to non-occupying property investors and "Workplace Management" to be services provided to owner-occupiers. Our JLL Technologies segment offers software products, solutions and services, while LaSalle provides investment management services on a global basis to institutional investors and high-net-worth individuals.

For segment reporting, (i) gross contract costs and (ii) net non-cash MSR and mortgage banking derivative activity are both excluded from revenue in determining Fee revenue. Gross contract costs are excluded from operating expenses in determining Fee-based operating expenses. In addition, our measure of segment results also excludes Restructuring and acquisition charges.

Markets Advisory

($ in millions)		Three Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**1,025.4**	1,118.2	**(92.8)**	**(8)%**	**(7)%**
Gross contract costs		**(284.3)**	(262.4)	**(21.9)**	**8**	**10**
Fee revenue	**$**	**741.1**	855.8	**(114.7)**	**(13)%**	**(13)%**
Leasing		***588.0***	*703.5*	***(115.5)***	***(16)***	***(16)***
Property Management		***131.0***	*122.2*	***8.8***	***7***	***9***
Advisory, Consulting and Other		***22.1***	*30.1*	***(8.0)***	***(27)***	***(25)***
Compensation and benefits, excluding gross contract costs	**$**	**546.4**	618.5	**(72.1)**	**(12)%**	**(11)%**
Operating, administrative and other expenses, excluding gross contract costs		**93.3**	103.8	**(10.5)**	**(10)**	**(9)**
Depreciation and amortization		**17.4**	17.3	**0.1**	**1**	**2**
Segment fee-based operating expenses (excluding restructuring and acquisition charges)		**657.1**	739.6	**(82.5)**	**(11)**	**(11)**
Gross contract costs		**284.3**	262.4	**21.9**	**8**	**10**
Segment operating expenses	**$**	**941.4**	1,002.0	**(60.6)**	**(6)%**	**(5)%**
Equity (losses) earnings	**$**	**(0.1)**	0.4	**(0.5)**	**(125)%**	**(97)%**
Adjusted EBITDA	**$**	**99.4**	134.0	**(34.6)**	**(26)%**	**(26)%**
Adjusted EBITDA margin (local currency basis)		**13.2 %**	15.7 %		**(230) bps**	**(250) bps**
Adjusted EBITDA margin (USD basis)		**13.4 %**				

Markets Advisory (continued)

($ in millions)		Six Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**1,931.8**	2,117.7	**(185.9)**	**(9)%**	**(7)%**
Gross contract costs		**(563.4)**	(520.7)	**(42.7)**	**8**	**11**
Fee revenue	**$**	**1,368.4**	1,597.0	**(228.6)**	**(14)%**	**(13)%**
Leasing		***1,070.5***	*1,300.4*	***(229.9)***	***(18)***	***(17)***
Property Management		***258.1***	*240.8*	***17.3***	***7***	***10***
Advisory, Consulting and Other		***39.8***	*55.8*	***(16.0)***	***(29)***	***(26)***
Compensation and benefits, excluding gross contract costs	**$**	**1,007.4**	1,159.3	**(151.9)**	**(13)%**	**(12)%**
Operating, administrative and other expenses, excluding gross contract costs		**186.9**	195.7	**(8.8)**	**(4)**	**(3)**
Depreciation and amortization		**34.5**	34.4	**0.1**	**—**	**2**
Segment fee-based operating expenses		**1,228.8**	1,389.4	**(160.6)**	**(12)**	**(10)**
Gross contract costs		**563.4**	520.7	**42.7**	**8**	**11**
Segment operating expenses	**$**	**1,792.2**	1,910.1	**(117.9)**	**(6)%**	**(5)%**
Equity earnings	**$**	**0.2**	0.9	**(0.7)**	**(78)%**	**(72)%**
Adjusted EBITDA	**$**	**171.0**	245.2	**(74.2)**	**(30)%**	**(31)%**
Adjusted EBITDA margin (local currency basis)		**12.3 %**	15.4 %		**(290) bps**	**(310) bps**
Adjusted EBITDA margin (USD basis)		**12.5 %**				

The declines in Markets Advisory revenue and fee revenue, both on a year-to-date and quarter-to-date basis, were predominantly driven by Leasing, which continues to reflect (i) lower transaction volume across asset types, particularly in the office and industrial sectors, and (ii) a decrease in average deal size across most asset types, most notably in the U.S. office sector. Specific to the office sector, our change in Leasing was in line with trends in global market volumes as gross absorption fell 14% globally, according to JLL Research. The decreases in Advisory, Consulting and Other, for both the quarter and first half of the year, were substantially driven by the absence of revenues associated with a business exited during the fourth quarter of 2022. These decreases were partially offset by Property Management growth, which was primarily attributable to portfolio expansion in the Americas and incremental fees from interest-rate sensitive contract terms in the United Kingdom.

The net decreases in segment operating expenses and segment fee-based operating expenses for the quarter, compared with the prior-year quarter, were primarily due to lower commissions expense, correlated with the revenue decline, as well as lower incentive compensation expense, reflecting segment performance.

The second-quarter adjusted EBITDA margin contraction was predominantly attributable to the lower Leasing fee revenue, net of the decreased operating expenses noted above.

Capital Markets

($ in millions)		Three Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**448.0**	684.5	**(236.5)**	**(35)%**	**(34) %**
Gross contract costs		**(13.1)**	(12.6)	**(0.5)**	**4**	**6**
Net non-cash MSR and mortgage banking derivative activity		**0.6**	(11.2)	**11.8**	**(105)**	**(106)**
Fee revenue	**$**	**435.5**	660.7	**(225.2)**	**(34)%**	**(34) %**
Investment Sales, Debt/Equity Advisory and Other		***309.9***	*528.0*	***(218.1)***	***(41)***	***(41)***
Valuation Advisory		***86.6***	*92.3*	***(5.7)***	***(6)***	***(5)***
Loan Servicing		***39.0***	*40.4*	***(1.4)***	***(3)***	***(3)***
Compensation and benefits, excluding gross contract costs	**$**	**335.4**	469.9	**(134.5)**	**(29)%**	**(28) %**
Operating, administrative and other expenses, excluding gross contract costs		**69.2**	64.8	**4.4**	**7**	**7**
Depreciation and amortization		**16.2**	15.4	**0.8**	**5**	**5**
Segment fee-based operating expenses (excluding restructuring and acquisition charges)		**420.8**	550.1	**(129.3)**	**(24)**	**(23)**
Gross contract costs		**13.1**	12.6	**0.5**	**4**	**6**
Segment operating expenses	**$**	**433.9**	562.7	**(128.8)**	**(23)%**	**(23 %)**
Equity earnings	**$**	**4.8**	0.6	**4.2**	**700 %**	**761 %**
Adjusted EBITDA	**$**	**36.0**	126.7	**(90.7)**	**(72)%**	**(72) %**
Adjusted EBITDA margin (local currency basis)		**8.2 %**	19.2 %		**(1,090) bps**	**(1,100) bps**
Adjusted EBITDA margin (USD basis)		**8.3 %**				

Capital Markets (continued)

($ in millions)		Six Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**805.1**	1,285.1	**(480.0)**	**(37)%**	**(36)%**
Gross contract costs		**(22.4)**	(25.3)	**2.9**	**(11)**	**(9)**
Net non-cash MSR and mortgage banking derivative activity		**2.4**	(7.6)	**10.0**	**(132)**	**(132)**
Fee revenue	**$**	**785.1**	1,252.2	**(467.1)**	**(37)%**	**(36)%**
Investment Sales, Debt/Equity Advisory and Other		***545.1***	*996.5*	***(451.4)***	***(45)***	***(45)***
Valuation Advisory		***163.6***	*175.4*	***(11.8)***	***(7)***	***(4)***
Loan Servicing		***76.4***	*80.3*	***(3.9)***	***(5)***	***(5)***
Compensation and benefits, excluding gross contract costs	**$**	**619.3**	888.1	**(268.8)**	**(30)%**	**(29)%**
Operating, administrative and other expenses, excluding gross contract costs		**125.3**	120.7	**4.6**	**4**	**6**
Depreciation and amortization		**32.1**	31.0	**1.1**	**4**	**4**
Segment fee-based operating expenses		**776.7**	1,039.8	**(263.1)**	**(25)**	**(24)**
Gross contract costs		**22.4**	25.3	**(2.9)**	**(11)**	**(9)**
Segment operating expenses	**$**	**799.1**	1,065.1	**(266.0)**	**(25)%**	**(24)%**
Equity earnings	**$**	**5.4**	1.4	**4.0**	**286 %**	**285 %**
Adjusted EBITDA	**$**	**46.7**	244.9	**(198.2)**	**(81)%**	**(81)%**
Adjusted EBITDA margin (local currency basis)		**5.8 %**	19.6 %		**(1,370) bps**	**(1,380) bps**
Adjusted EBITDA margin (USD basis)		**5.9 %**				

The lower Capital Markets revenue and fee revenue for the quarter and first half of the year reflected muted transaction volume compared with 2022. This impact was most acute in Investment Sales and Debt/Equity Advisory, which experienced declines across all asset classes and most geographies compared with the prior-year quarter. This outperformed global trends as second-quarter market volumes for investment sales were down 54% in USD (53% in local currency), according to JLL Research. The net decline in Loan Servicing, both on a year-to-date and quarter-to-date basis, was attributable to lower prepayment fees (down $3.7 million for the quarter and $8.2 million for the first half of the year), as refinancing activity slowed over the last twelve months, mostly offset by continued growth in the portfolio originated under the Fannie Mae DUS program.

The net decreases in segment operating expenses and segment fee-based operating expenses for the quarter and first half of the year, compared with the prior-year periods, were almost entirely due to lower commissions expense, correlated with the decline in revenue, as well as lower incentive compensation expense, reflecting segment performance. While not as impactful on the year-to-date performance, the change in the loan loss reserve was a $7.0 million negative impact (reflected in Operating, administrative and other expenses) to the current quarter, compared with last year.

The second-quarter adjusted EBITDA margin contraction was predominantly driven by the meaningful decline in fee revenue, net of the expense drivers noted above. In addition, higher equity earnings, which are not expected to recur in future years, provided a modest performance boost for the current quarter.

Work Dynamics

($ in millions)		Three Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**3,374.6**	3,310.5	**64.1**	**2 %**	**3 %**
Gross contract costs		**(2,896.8)**	(2,843.5)	**(53.3)**	**2**	**3**
Fee revenue	**$**	**477.8**	467.0	**10.8**	**2 %**	**3 %**
Workplace Management		***188.2***	*184.9*	***3.3***	***2***	***2***
Project Management		***229.7***	*214.9*	***14.8***	***7***	***8***
Portfolio Services and Other		***59.9***	*67.2*	***(7.3)***	***(11)***	***(11)***
Compensation and benefits, excluding gross contract costs	**$**	**321.0**	304.0	**17.0**	**6 %**	**6 %**
Operating, administrative and other expenses, excluding gross contract costs		**101.2**	106.3	**(5.1)**	**(5)**	**(4)**
Depreciation and amortization		**19.9**	17.0	**2.9**	**17**	**18**
Segment fee-based operating expenses (excluding restructuring and acquisition charges)		**442.1**	427.3	**14.8**	**3**	**4**
Gross contract costs		**2,896.8**	2,843.5	**53.3**	**2**	**3**
Segment operating expenses	**$**	**3,338.9**	3,270.8	**68.1**	**2 %**	**3 %**
Equity earnings	**$**	**0.8**	0.9	**(0.1)**	**(11)%**	**(15)%**
Adjusted EBITDA	**$**	**56.2**	57.6	**(1.4)**	**(2)%**	**(3)%**
Adjusted EBITDA margin (local currency basis)		**11.6 %**	12.4 %		**(60) bps**	**(80) bps**
Adjusted EBITDA margin (USD basis)		**11.8 %**				

Work Dynamics (continued)

($ in millions)		Six Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**6,650.8**	6,344.1	**306.7**	**5 %**	**7 %**
Gross contract costs		**(5,731.0)**	(5,466.6)	**(264.4)**	**5**	**7**
Fee revenue	**$**	**919.8**	877.5	**42.3**	**5 %**	**7 %**
Workplace Management		***371.4***	*366.9*	***4.5***	***1***	***3***
Project Management		***440.6***	*390.6*	***50.0***	***13***	***15***
Portfolio Services and Other		***107.8***	*120.0*	***(12.2)***	***(10)***	***(9)***
Compensation and benefits, excluding gross contract costs	**$**	**626.0**	585.8	**40.2**	**7 %**	**9 %**
Operating, administrative and other expenses, excluding gross contract costs		**212.7**	200.1	**12.6**	**6**	**9**
Depreciation and amortization		**39.2**	33.5	**5.7**	**17**	**20**
Segment fee-based operating expenses		**877.9**	819.4	**58.5**	**7**	**10**
Gross contract costs		**5,731.0**	5,466.6	**264.4**	**5**	**7**
Segment operating expenses	**$**	**6,608.9**	6,286.0	**322.9**	**5 %**	**7 %**
Equity earnings	**$**	**1.2**	1.2	**—**	**— %**	**— %**
Adjusted EBITDA	**$**	**81.9**	92.8	**(10.9)**	**(12)%**	**(15)%**
Adjusted EBITDA margin (local currency basis)		**8.5 %**	10.6 %		**(170) bps**	**(210) bps**
Adjusted EBITDA margin (USD basis)		**8.9 %**				

Work Dynamics revenue and fee revenue increases compared with the prior-year quarter were driven by strength in Project Management and modest growth in Workplace Management, partially offset by lower Portfolio Services and Other. Project Management had continued demand in certain geographies, most notably Australia, France, MENA and the U.K. for the second quarter (U.S., France, MENA and the U.K. on a half-year view). The decline in Portfolio Services revenue reflected the meaningful correlation between Portfolio Services and Leasing activity.

The increases in segment operating expenses and segment fee-based operating expenses for the first half of the year, compared with the prior-year period, were primarily due to revenue-related expense growth over the trailing twelve months and first-quarter 2023 contract losses (included in Operating, administrative and other expenses) related to certain Tetris contracts in Europe. For the second quarter, compared with the prior-year quarter, continued investments in technology and headcount to support contract wins and a charge related to the final settlement associated with a legal claim drove the increases in segment operating expenses and segment fee-based operating expenses.

The net second-quarter adjusted EBITDA margin contraction was attributable to the decline in higher-margin Portfolio Services revenue and continued investments in technology and headcount to support future growth. In addition, and partially offsetting these dilutive impacts, the prior-year margin reflected $4.1 million of net contract losses in Europe which did not recur this quarter.

JLL Technologies

($ in millions)		Three Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**60.6**	50.7	**9.9**	**20 %**	**20 %**
Gross contract costs		**(4.1)**	(2.7)	**(1.4)**	**52**	**53**
Fee revenue	**$**	**56.5**	48.0	**8.5**	**18 %**	**18 %**
Compensation and benefits, excluding gross contract costs[1]	**$**	**45.3**	65.8	**(20.5)**	**(31) %**	**(31 %)**
Operating, administrative and other expenses, excluding gross contract costs		**12.5**	13.9	**(1.4)**	**(10)**	**(9)**
Depreciation and amortization		**4.1**	3.9	**0.2**	**5**	**6**
Segment fee-based operating expenses (excluding restructuring and acquisition charges)		**61.9**	83.6	**(21.7)**	**(26)**	**(26)**
Gross contract costs		**4.1**	2.7	**1.4**	**52**	**53**
Segment operating expenses	**$**	**66.0**	86.3	**(20.3)**	**(24 %)**	**(23 %)**
Equity (losses) earnings	**$**	**(103.9)**	44.7	**(148.6)**	**(332) %**	**(332) %**
Adjusted EBITDA	**$**	**(105.2)**	12.9	**(118.1)**	**(916) %**	**(914) %**
Adjusted EBITDA margin (local currency basis)		**(186.9)%**	27.0 %		**n.m.**	**n.m.**
Adjusted EBITDA margin (USD basis)		**(186.2)%**				

JLL Technologies (continued)

($ in millions)		Six Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**122.0**	100.1	**21.9**	**22 %**	**22 %**
Gross contract costs		**(7.7)**	(6.8)	**(0.9)**	**13**	**13**
Fee revenue	**$**	**114.3**	93.3	**21.0**	**23 %**	**23 %**
Compensation and benefits, excluding gross contract costs[1]	**$**	**106.6**	128.0	**(21.4)**	**(17)%**	**(16 %)**
Operating, administrative and other expenses, excluding gross contract costs		**27.2**	28.1	**(0.9)**	**(3)**	**(3)**
Depreciation and amortization		**8.0**	7.7	**0.3**	**4**	**5**
Segment fee-based operating expenses		**141.8**	163.8	**(22.0)**	**(13)**	**(13)**
Gross contract costs		**7.7**	6.8	**0.9**	**13**	**13**
Segment operating expenses	**$**	**149.5**	170.6	**(21.1)**	**(12)%**	**(12 %)**
Equity (losses) earnings	**$**	**(99.0)**	63.5	**(162.5)**	**(256)%**	**(256) %**
Adjusted EBITDA	**$**	**(118.5)**	0.6	**(119.1)**	**n.m.**	**n.m.**
Adjusted EBITDA margin (local currency basis)		**(104.1)%**	0.6 %		**n.m.**	**n.m.**
Adjusted EBITDA margin (USD basis)		**(103.7)%**				

(1) Included in Compensation and benefits expense for JLL Technologies is a reduction in carried interest expense of $10.0 million and $9.3 million for the three and six months ended June 30, 2023, respectively, and a carried interest expense of $9.8 million and $16.0 million for the three and six months ended June 30, 2022, related to Equity earnings of the segment.

The increases in JLL Technologies revenue and fee revenue over the prior-year quarter were primarily driven by growth in solutions and service offerings, largely from existing enterprise clients.

Equity losses for the quarter and first half of the year resulted from current-quarter valuation declines in JLL Technologies' investments due to subsequent financing rounds at decreased per-share values. These equity losses were predominantly driven by two investments for which we previously recognized significant equity earnings.

A notable driver of the change in Segment operating loss is a $10.0 million reduction in carried interest expense this quarter ($9.3 million for the first half of the year) associated with the equity losses, compared with $9.8 million of incremental expense in the second quarter of 2022 ($16.0 million for the first half of 2022) associated with the equity earnings.

The second-quarter margin decline was entirely driven by the change in equity earnings/losses, net of carried interest, as fee revenue growth with recent cost reductions drove improvement in segment operating loss.

LaSalle

($ in millions)		Three Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**143.9**	114.5	**29.4**	**26 %**	**26 %**
Gross contract costs		**(7.5)**	(7.2)	**(0.3)**	**4**	**4**
Fee revenue	**$**	**136.4**	107.3	**29.1**	**27 %**	**28 %**
Advisory fees		***94.4***	*98.2*	***(3.8)***	***(4)***	***(3)***
Transaction fees and other		***6.2***	*8.1*	***(1.9)***	***(23)***	***(19)***
Incentive fees		***35.8***	*1.0*	***34.8***	***n.m.***	***n.m.***
Compensation and benefits, excluding gross contract costs	**$**	**84.4**	72.2	**12.2**	**17 %**	**18 %**
Operating, administrative and other expenses, excluding gross contract costs		**17.1**	14.4	**2.7**	**19**	**20**
Depreciation and amortization		**2.3**	1.8	**0.5**	**28**	**30**
Segment fee-based operating expenses (excluding restructuring & acquisition charges)		**103.8**	88.4	**15.4**	**17**	**19**
Gross contract costs		**7.5**	7.2	**0.3**	**4**	**4**
Segment operating expenses	**$**	**111.3**	95.6	**15.7**	**16 %**	**17 %**
Equity (losses) earnings	**$**	**(5.1)**	7.0	**(12.1)**	**(173)%**	**(172)%**
Adjusted EBITDA	**$**	**29.7**	27.8	**1.9**	**7 %**	**7 %**
Adjusted EBITDA margin (local currency basis)		**21.7 %**	26.0 %		**(420) bps**	**(430) bps**
Adjusted EBITDA margin (USD basis)		**21.8 %**				

LaSalle (continued)

($ in millions)		Six Months Ended June 30, 2023	2022	Change in U.S. dollars		% Change in Local Currency
Revenue	**$**	**258.3**	232.8	**25.5**	**11 %**	**13 %**
Gross contract costs		**(14.6)**	(13.5)	**(1.1)**	**8**	**8**
Fee revenue	**$**	**243.7**	219.3	**24.4**	**11 %**	**14 %**
Advisory fees		***189.1***	*188.9*	***0.2***	***—***	***2***
Transaction fees and other		***15.3***	*25.2*	***(9.9)***	***(39)***	***(36)***
Incentive fees		***39.3***	*5.2*	***34.1***	***656***	***671***
Compensation and benefits, excluding gross contract costs	**$**	**153.3**	147.0	**6.3**	**4 %**	**7 %**
Operating, administrative and other expenses, excluding gross contract costs		**32.3**	28.1	**4.2**	**15**	**18**
Depreciation and amortization		**3.6**	3.2	**0.4**	**13**	**14**
Segment fee-based operating expenses		**189.2**	178.3	**10.9**	**6**	**9**
Gross contract costs		**14.6**	13.5	**1.1**	**8**	**8**
Segment operating expenses	**$**	**203.8**	191.8	**12.0**	**6 %**	**9 %**
Equity (losses) earnings	**$**	**(13.9)**	5.1	**(19.0)**	**(373)%**	**(372)%**
Adjusted EBITDA	**$**	**44.0**	49.1	**(5.1)**	**(10)%**	**(9)%**
Adjusted EBITDA margin (local currency basis)		**17.9 %**	22.4 %		**(430) bps**	**(450) bps**
Adjusted EBITDA margin (USD basis)		**18.1 %**				

For both the second quarter and first half of 2023, LaSalle revenue and fee revenue growth was driven by incentive fees earned on assets managed on behalf of clients, specifically in Japan and United States. Specific to the quarter, the slightly lower advisory fees were the result of recent valuation declines impacting assets under management. Advisory fees for the first six months were marginally up compared with 2022.

The equity losses on both a quarter-to-date and year-to-date basis were primarily attributable to net valuation declines in the co-investment portfolio. For the second quarter and first half of 2023, this decline was partially offset by the co-investment in a LaSalle-managed publicly-traded REIT in Japan, which had a notable negative share price movement in the prior-year periods.

The increases in segment operating expenses and segment fee-based operating expenses for the second quarter and first half of 2023, compared with the prior-year periods, were primarily driven by higher variable compensation expense associated with the increased incentive fees.

The second-quarter adjusted EBITDA margin contraction was primarily attributable to the net equity losses, partially offset by higher incentive fees.

As of June 30, 2023, LaSalle had $78.2 billion of AUM, a decrease of less than 1% in both USD and local currency from $78.5 billion as of March 31, 2023. The AUM change resulted from (i) $0.8 billion of dispositions and withdrawals, (ii) $0.5 billion of net valuation decreases and (iii) $0.1 billion of foreign currency increases, partially offset by (iv) $1.1 billion of acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

We finance our operations, co-investment activity, share repurchases, capital expenditures and business acquisitions with internally generated funds, borrowings on our Facility, and through issuance of Long-term debt.

Cash Flows from Operating Activities

Operating activities used $479.3 million of cash in the first six months of 2023, compared with $539.4 million of cash used in operating activities during the same period in 2022. The year-over-year decrease in cash used in operating activities was primarily due to (i) lower incentive compensation and commission payments in 2023, compared with 2022, (ii) incremental cash inflow associated with trade receivables and (iii) $98.5 million of lower cash taxes paid compared with last year. This is partially offset by lower cash provided by earnings, largely attributable to the change in business performance for Capital Markets and Markets Advisory.

Cash Flows from Investing Activities

We used $160.7 million of cash for investing activities during the first six months of 2023, compared with $63.1 million used during the same period in 2022. The prior year included $137.0 million of net capital proceeds relating to less than wholly-owned subsidiaries that did not recur in 2023. In addition, there were less net capital contributions to investments in the first half of 2023 compared with 2022.

Cash Flows from Financing Activities

Financing activities provided $503.9 million of cash during the first six months of 2023, compared with $601.3 million provided during the same period in 2022. The net decrease of $97.4 million in cash inflows from financing activities substantially driven by a decrease in net borrowings on our Facility. This decrease in borrowings against the prior year was a product of lower incentive compensation payments in the first quarter of 2023 as well as less share repurchases in the first half of 2023 (refer to the Share Repurchases section below). Finally, the 2022 cash outflow relating to noncontrolling interest distributions included a $142.3 million gain by a consolidated variable interest entity in which the company held no equity interest that was also distributed in the first half of 2022 (offsetting the net capital proceeds from less than wholly-owned subsidiaries noted in cash flows from investing activities).

Debt

Our $3.35 billion Facility matures on April 14, 2026 and bears a variable interest rate. As of June 30, 2023, we had outstanding borrowings under the Facility of $1,840.5 million versus $1,213.8 million as of December 31, 2022. The average outstanding borrowings under our credit facilities were $2,315.8 million and $1,581.9 million (with average effective interest rates of 5.9% and 1.6%) during the three months ended June 30, 2023 and 2022, respectively, and $2,019.5 million and $1,135.0 million (with average effective interest rates of 5.7% and 1.4%) during the six months ended June 30, 2023 and 2022, respectively.

We had Short-term borrowings (including financing lease obligations, overdrawn bank accounts and local overdraft facilities) of $112.1 million and $164.2 million as of June 30, 2023 and December 31, 2022, respectively. In addition to our Facility, we had the capacity to borrow up to $53.8 million under local overdraft facilities as of June 30, 2023.

We will continue to use the Facility for working capital needs (including payment of accrued incentive compensation), co-investment activities, share repurchases, capital expenditures and acquisitions.

Refer to Note 9, Debt, in the Notes to Condensed Consolidated Financial Statements for additional information on our debt.

Investment Activity

As of June 30, 2023, we had a carrying value of $872.7 million in investments, primarily related to investments by JLL Technologies in early to mid-stage proptech companies as well as proptech funds, and LaSalle co-investments. For the first half of 2023 and 2022, funding of investments exceeded return of capital by $53.5 million and $108.3 million, respectively. We expect continued investments by JLL Technologies as well as strategic co-investment opportunities with our investment management clients globally as co-investment remains an important foundation to the continued growth of LaSalle's business.

See Note 6, Investments, in the Notes to Condensed Consolidated Financial Statements for additional information on our investment activity.

Capital Expenditures

Net capital additions for the six months ended June 30, 2023 and 2022 were $88.2 million and $86.9 million, respectively. Our capital expenditures in 2023 were primarily for purchased/developed software and leased office space improvements.

Business Acquisitions

During the six months ended June 30, 2023, we paid $35.6 million for business acquisitions. This included $13.6 million of payments relating to acquisitions in 2023 and $22.0 million for deferred business acquisition and earn-out obligations related to acquisitions completed in prior years, which are primarily reflected in cash flows from financing activities.

Terms for many of our past acquisitions have typically included cash paid at closing with provisions for additional deferred consideration and earn-out payments subject to certain contract requirements, including the passage of time and performance, respectively. Deferred business acquisition obligations totaled $14.9 million as of June 30, 2023. These obligations represent the current discounted values of payments due to sellers of businesses for which our acquisition had been completed as of the balance sheet date and for which the only remaining condition on those payments is the passage of time. As of June 30, 2023, we had the potential to make earn-out payments for a maximum of $105.0 million on 16 completed acquisitions subject to the achievement of certain performance conditions. Refer to Note 5, Business Combinations, Goodwill and Other Intangible Assets, in the Notes to the Condensed Consolidated Financial Statements for further information on Business Acquisitions.

We will continue to consider acquisitions that we believe will strengthen our market position, increase our profitability, and supplement our organic growth.

Share Repurchase and Dividend Programs

In February 2022, our Board of Directors authorized an additional $1.5 billion for the repurchase of our common stock in the open market and privately negotiated transactions. The number of shares repurchased and cash paid for repurchases is noted
in the following table.

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in millions)	**2023**	2022	**2023**	2022
Total number of shares repurchased (in 000's)	**139.3**	1,397.9	**139.3**	2,013.2
Total paid for shares repurchased	**$ 20.0**	297.7	**$ 20.0**	447.7

As of June 30, 2023, $1,135.6 million remained authorized for repurchases under our share repurchase program.

Repatriation of Foreign Earnings

Based on our historical experience and future business plans, we do not expect to repatriate our foreign-sourced earnings to the United States. We believe our policy of permanently investing earnings of foreign subsidiaries does not significantly impact our liquidity. As of June 30, 2023 and December 31, 2022, we had total cash and cash equivalents of $402.5 million and $519.3 million, respectively, of which approximately $299.6 million and $400.8 million, respectively, was held by foreign subsidiaries.

Restricted Net Assets

We face regulatory restrictions in certain countries that limit or prevent the transfer of funds to other countries or the exchange of the local currency to other currencies. However, we generally face no such restrictions with regard to the use or application of funds for ordinary course business activities within such countries. The assets of these countries aggregated to approximately 4% of our total assets as of both June 30, 2023 and December 31, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains “forward-looking statements” within the meaning of the federal securities laws. All such statements are qualified by this cautionary note, which is provided pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may also be included in our other public filings, press releases, our website, and oral and written presentations by management.

Statements in the future tense, and all statements accompanied by terms such as “believe,” “will,” “may,” “could,” “project,” “expect,” “estimate,” “assume,” “intend,” “anticipate,” “target,” “plan” and variations thereof and similar terms, are intended to be forward-looking statements. Such statements do not relate strictly to historical or current facts as they relate to our intent, belief and current expectations about our strategic direction, prospects and future results, and give our current expectations or forecasts of future events. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

MARKET AND OTHER RISK FACTORS

Interest Rates

We assess interest rate sensitivity to estimate the potential effect of rising short-term interest rates on our variable-rate debt. If short-term interest rates were 50 basis points higher during 2023 on our variable-rate debt, our results would reflect an incremental $5.0 million of interest expense for the six months ended June 30, 2023.

Foreign Exchange

The following outlines the significant functional currencies of our revenue, highlighting where exposure to movements in foreign exchange impact our operations in international markets.

	Six Months Ended June 30,	
	2023	2022
British pound	**8 %**	8 %
Euro	**7**	7
Australian dollar	**5**	6
Other[1]	**21**	20
Revenue exposed to foreign exchange rates	**41 %**	41 %
United States dollar	**59**	59
Total revenue	**100 %**	100 %

(1) No other functional currency exceeds 5% of total revenue.

To show the impact foreign currencies have on our results of operations, we present the change in local currency for revenue and operating expenses on a consolidated basis and by operating segment in Management's Discussion and Analysis of Financial Condition and Results of Operations included herein. For additional detail of the impact of foreign exchange rates on our results of operations, see Management's Discussion and Analysis of Financial Condition and Results of Operations included herein.

We enter into forward foreign currency exchange contracts to manage currency risks associated with intercompany lending and cash management practices. See Note 8, Fair Value Measurements, in the Notes to the Condensed Consolidated Financial Statements for further discussion of our forward contracts.

Item 4. Controls and Procedures

The Company has established disclosure controls and procedures to ensure material information relating to the Company, including its consolidated subsidiaries, is made known to the officers who certify the Company's financial reports and to the other members of senior management and the Board of Directors.

Under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded our disclosure controls and procedures were effective as of the end of the period covered by this report. There were no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2023, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

We are a defendant or plaintiff in various litigation matters arising in the ordinary course of business, some of which involve claims for damages that are substantial in amount. Many of these litigation matters are covered by insurance, including insurance provided through a captive insurance company, although they may nevertheless be subject to large deductibles and the amounts being claimed may exceed the available insurance. Although we cannot determine the ultimate liability for these matters based upon information currently available, we believe the ultimate resolution of such claims and litigation will not have a material adverse effect on our financial position, results of operations or liquidity.

Item 1A. Risk Factors

There have been no material changes to our risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022.

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

The following table provides information about our purchases of equity securities that are registered by us pursuant to Section 12 of the Exchange Act during the quarter ended June 30, 2023.

Period	Total number of shares purchased	Weighted average price paid per share	Total number of shares purchased as part of publicly announced plan	Approximate dollar value of shares that may yet be purchased under the plan (in millions)
April 1, 2023 - April 30, 2023	—	$ —	—	
May 1, 2023 - May 31, 2023	72,332	$ 138.25	72,332	
June 1, 2023 - June 30, 2023	66,963	$ 149.34	66,963	$ 1,135.6
Total	**139,295**		**139,295**	

Item 6. Exhibits

Exhibit Number	Description
10.1*	Second Amended and Restated 2019 Stock Award and Incentive Plan effective as of May 25, 2023 (as approved by the Shareholders of Jones Lang LaSalle Incorporated on May 25, 2023 and incorporated by reference to Annex C to the Proxy Statement included in Schedule 14A filed on April 14, 2023 (File No. 001-13145)
10.2*	Letter Agreement dated June 27, 2023 between Jones Lang LaSalle Inc. and Greg O'Brien
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32*	Certification of Chief Executive Officer and Chief 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 Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Filed herewith

Signature

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 3rd day of August, 2023.

JONES LANG LASALLE INCORPORATED

By: /s/ Karen Brennan

Karen Brennan
Chief Financial Officer
(Authorized Officer and Principal Financial Officer)

Exhibit 10.1

Second Amended and Restated 2019 Stock Award and Incentive Plan

Second Amended and Restated Effective Date: May 25, 2023

The Jones Lang LaSalle Incorporated 2019 Stock Award and Incentive Plan (the "*Plan*") was initially adopted by the Board of Directors of Jones Lang LaSalle Incorporated (the "*Company*") and approved by the shareholders on May 29, 2019, then amended and restated following shareholder approval on May 27, 2021. The Board has further amended the Plan as set forth herein, subject to approval by the shareholders on May 25, 2023.

The purpose of further amending and restating the Plan is to authorize additional Common Stock for Awards under the Plan. The Plan shall remain in effect until the earliest of (i) the date that no additional Common Stock is available for issuance under the Plan or (ii) the date that the Plan has been terminated in accordance with Article 14.

1. Purpose

The purpose of the Plan is to provide a means through which the Company or its Affiliates may attract and retain key personnel and to provide a means whereby directors, officers, employees, consultants and advisors (and prospective directors, officers, employees, consultants and advisors) of the Company or its Affiliates can acquire and maintain an equity interest in the Company, or be paid incentive compensation, which may (but need not) be measured by reference to the value of Common Stock, to motivate such persons to achieve long-term Company goals and to more closely align their interests with those of the Company's shareholders. Unless and until approved by the shareholders of Jones Lang LaSalle Incorporated, no shares of Common Stock shall be issued and no cash payments shall be made under the Plan.

2. Definitions

The following definitions shall be applicable throughout the Plan:

(a) "*Affiliate*" means (i) any direct or indirect Subsidiary of the Company or (ii) any other entity that, at the time of granting of an Award, is controlled by the Company and in which the Company directly or indirectly owns at least 20% of the combined voting power of all classes of stock (or equivalent equity-type security) of such entity; provided, that, with respect to Incentive Stock Options, the term shall only mean "subsidiary corporation" as defined in Section 424(f) of the Code; further, provided, that, with respect to the award of any "stock right" within the meaning of Section 409A of the Code, such affiliate must qualify as a "service recipient" within the meaning of Section 409A of the Code, to the extent applicable, and in applying Section 1563(a)(1), (2) and (3) of the Code for purposes of determining a controlled group of corporations under Section 414(b) of the Code and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining trades or businesses (whether or not incorporated) that are under common control for purposes of Section 414(c) of the Code, the language "at least 50 percent" (or, where legitimate business criteria exist as determined by the Committee, "at least 20 percent") is used instead of "at least 80 percent."

(b) "*Award*" means, individually or collectively, any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Other Stock-Based Award, Dividend Equivalent Award, Deferred Stock Award, or Performance Award granted under the Plan.

(c) "*Award Agreement*" means any written agreement, contract or other instrument or document evidencing an Award.

(d) "*Board*" means the Board of Directors of the Company.

(e) "*Cause*" means, in the case of a particular Award, unless the applicable Award Agreement states otherwise, (i) the Company or an Affiliate having "cause" to terminate a Participant's employment or service, as defined in any employment or consulting agreement or similar services agreement between the Participant and the Company or an Affiliate in effect at the time of such termination, or (ii) in the absence of any such employment, consulting or similar services agreement (or the absence of any definition of "Cause" contained therein), the definition established for such term in an Award Agreement for such Award. Any determination of whether Cause exists shall be made by the Committee in its sole discretion.

(f) "Change in Control" means a change in control of the Company which will be deemed to have occurred if:

(i) any "person," as such term is used in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (A) the Company or any of its subsidiaries, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its affiliates, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Stock, or (E) any person or group as used in Rule 13d-1(b) under the Exchange Act, is or becomes the Beneficial Owner, as such term is defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of the Company (not including the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 30% or more of the combined voting power of the Company's then outstanding securities;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board, and any new director (other than (A) a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (iii), or (iv) of this Section 2(g) or (B) other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least 75% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person (as defined above) is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 25% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (or any transaction having a similar effect) other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 75% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding anything herein to the contrary, in any circumstance in which the definition of "Change in Control" under this Plan would otherwise be operative and with respect to which the additional tax under Section 409A of the Code would apply or be imposed, but where such tax would not apply or be imposed if the meaning of the term "Change in Control" met the requirements of Section 409A(a)(2)(A)(v) of the Code, then the term "Change in Control" herein shall mean, but only for the transaction, event or circumstance so affected and the item of income with respect to which the additional tax under Section 409A of the Code would otherwise be imposed, a transaction, event or circumstance that is both (x) described in the preceding provisions of this definition, and (y) a "change in control event" within the meaning of Treasury Regulations Section 1.409A-3(i) (5).

(g) "*Code*" means the Internal Revenue Code of 1986, as amended, and any successor thereto. Reference in the Plan to any section of the Code shall be deemed to include any regulations or other binding interpretative guidance under such section, and any amendments or successor provisions to such section, regulations or guidance.

(h) "*Committee*" means the Compensation Committee of the Board, as constituted from time to time, or a subcommittee thereof appointed for purposes of the Plan, or if no such committee or subcommittee shall be in existence at any relevant time, the term "Committee" for purposes of the Plan shall mean the Board; provided, however, that during any time that the Common Stock is publicly traded, the Committee shall be a committee of the Board consisting solely of two or more Eligible Directors as necessary in each case to satisfy the requirements of Rule 16b-3 under the Exchange Act with respect to Awards granted under the Plan; provided, further, that, if the Committee includes individuals who are not Eligible Directors then, to the extent permitted under applicable law and with respect to determinations made or to be made by it which are not otherwise delegated pursuant to the Plan, the Committee shall be deemed a

subcommittee of only those individuals that constitute Eligible Directors, and those individuals who are not Eligible Directors shall be deemed excluded from the Committee.

(i) "*Common Stock*" means the Common Stock of the Company, par value $0.01 per share (and any stock or other securities into which such Common Stock may be converted or into which it may be exchanged).

(j) "*Company*" means Jones Lang LaSalle Incorporated, a corporation organized under the laws of the State of Maryland, or any successor corporation.

(k) "*Data*" has the meaning set forth in Section 15(z).

(l) "*Date of Grant*" means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization; provided, for purposes of Sections 422 and 409A of the Code, as applicable, Date of Grant shall mean the date of grant determined in accordance with the requirements of Sections 422 and 409A of the Code, as applicable.

(m) "*Deferral Account*" has the meaning set forth in Section 12(d).

(n) "*Deferral Election*" has the meaning set forth in Section 12(c).

(o) "*Deferred Compensation Award*" means an Award that is subject to Code Section 409A.

(p) "*Deferred Stock*" means a right to receive payment in the form of shares of Common Stock (or measured by the value of shares) at the end of a specified deferral period.

(q) "*Disability*" or "*Total and Permanent Disability*" means (except as otherwise expressly provided in the Participant's Award Agreement or, in the case of an Incentive Stock Option, in which case Disability shall have the definition in Section 22(e)(3) of the Code) a disability qualifying the Participant to receive benefits under the applicable total and permanent disability income plan provided by the Company or the subsidiary of the Company which employs the Participant. Notwithstanding anything herein to the contrary, in any circumstance in which the definition of "Disability" under this Plan would otherwise be operative and with respect to which the additional tax under Section 409A of the Code would apply or be imposed, but where such tax would not apply or be imposed if the meaning of the term "Disability" met the requirements of Section 409A(a)(2)(A)(ii) of the Code, then the term "Disability" herein shall mean, but only for the circumstances so affected and the item of income with respect to which the additional tax under Section 409A of the Code would otherwise be imposed, a "disability" within the meaning of Treasury Regulations Section 1.409A-3(i)(4).

(r) "*Dividend Equivalent*" means any right in respect of an Award to receive payments equal to dividends or property, if and when paid or distributed or, as applicable, following a period of vesting or restriction in accordance with the terms of the Plan, on shares of Common Stock.

(s) "*Effective Date*" means the date the Plan is approved by shareholders.

(t) "*Eligible Director*" means a person who is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act.

(u) "*Eligible Person*" means any (i) individual employed by the Company or an Affiliate; (ii) director of the Company or an Affiliate; (iii) consultant or advisor to the Company or an Affiliate; or (iv) prospective employees, directors, officers, consultants or advisors who have accepted offers of employment, consultancy or service from the Company or any of its Affiliates (and would satisfy the provisions of clauses (i) through (iii) above once he or she begins employment with or begins providing services to the Company or its Affiliates).

(v) "*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and any reference in the Plan to any section of (or rule promulgated under) the Exchange Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

(w) "*Exercise Price*" has the meaning given such term in Section 7(b) of the Plan.

(x) "*Fair Market Value*" means, as of any date, the fair market value of Common Stock or other property determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee in good faith or otherwise permitted by the Plan (including with respect to Substitute Awards), the closing price of a share of Common Stock as reported on the principal securities exchange or market on which the Common Stock is then listed or principally traded. If the relevant date does not fall on a day on which the Common Stock has traded on such securities exchange or market, the date on which the Fair Market Value shall be established shall be the last day on which the Common Stock was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Committee in its discretion. To the extent applicable as determined by the Committee, Fair Market Value will be determined in accordance with Code Section 409A.

(y) "*Former Plan*" has the meaning ascribed it in the preamble hereto.

(z) "*Immediate Family Members*" has the meaning set forth in Section 15(b).

(aa) "*Incentive Stock Option*" means an Option that is designated by the Committee as an incentive stock option as described in Section 422 of the Code and otherwise meets the requirements set forth in the Plan and Section 422 of the Code.

(bb) "*Nonqualified Stock Option*" means an Option that is not designated by the Committee, or which does not qualify, as an Incentive Stock Option.

(cc) "*Officer*" means a person who is an "officer" of the Company or any Affiliate within the meaning of Section 16 of the Exchange Act (whether or not the Company is subject to the requirements of the Exchange Act).

(dd) "*Option*" means an Award granted under Section 7 of the Plan.

(ee) "*Option Period*" has the meaning given such term in Section 7(c) of the Plan.

(ff) "*Other Stock-Based Award*" means an Award granted under Section 10 of the Plan.

(gg) "*Participant*" means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Award pursuant to Section 6 of the Plan.

(hh) "*Performance Award*" means an Award granted under this Plan subject to Section 11 of the Plan.

(ii) "*Permitted Transferee*" has the meaning set forth in Section 15(b) of the Plan.

(jj) "*Person*" means any individual or entity, including a corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust, unincorporated association, government or governmental agency or authority.

(kk) "*Plan*" means this Jones Lang LaSalle Incorporated Amended and Restated 2019 Stock Award and Incentive Plan, as further amended from time to time.

(ll) "*Restricted Period*" means the period of time determined by the Committee during which an Award is subject to restrictions or, as applicable, the period of time within which performance is measured for purposes of determining whether an Award has been earned.

(mm) "*Restricted Stock Unit*" means an unfunded and unsecured promise to deliver shares of Common Stock, cash, other securities or other property, subject to certain restrictions (including a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 9 of the Plan.

(nn) "*Restricted Stock*" means shares of Common Stock, subject to certain specified restrictions (including a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 9 of the Plan.

(oo) "*Retirement*" means, in each of the cases set forth below, the following:

(i) Grants On or After the Effective Date to Employees Hired Prior to January 1, 2015. Effective for all Awards made on or after the Effective Date to Participants who were hired prior to January 1, 2015, the standard definition of "Retirement" for purposes of each such Award shall mean the termination of employment when any one of the following conditions has been met:

(A) For such Participants who were 52 years old on January 1, 2015, (1) being at least fifty-five (55) years old with at least ten (10) years of service to the Company and its Affiliates, (2) being at least fifty-five (55) years old and having any combination of age plus years of service to the Company and its Affiliates equal to at least sixty-five (65) or (3) attainment of the statutory retirement age as defined within the country of the Participant's residence or citizenship, as applicable.

(B) For such Participants who were 48 years old or older but younger than 52 years old on January 1, 2015, (1) being at least fifty-seven (57) years old with at least eight (8) years of service to the Company and its Affiliates, (2) being at least fifty-seven (57) years old and having any combination of age plus years of service to the Company and its Affiliates equal to at least sixty-five (65) or (3) attainment of the statutory retirement age as defined within the country of the Participant's residence or citizenship, as applicable.

(C) For such Participants who were younger than 48 years old on January 1, 2015, (1) being at least sixty (60) years old with at least five (5) years of service to the Company and its Affiliates, (2) being at least sixty (60) years old and having any combination of age plus years of service to the Company and its Affiliates equal to at least sixty-five (65) or (3) attainment of the statutory retirement age as defined within the country of the Participant's residence or citizenship, as applicable.

(ii) Grants On or After the Effective Date to Employees Hired On or After January 1, 2015. Effective for all Awards made to Participants hired on or after January 1, 2015, the standard definition of "Retirement" for purposes of each such Award shall mean the termination of employment when any one of the following conditions has been met: (1) being at least sixty (60) years old with at least five (5) years of service to the Company and its Affiliates, (2) being at least sixty (60) years old and having any combination of age plus years of service to the Company and its Affiliates equal to at least sixty-five (65) or (3) attainment of the statutory retirement age as defined within the country of the Participant's residence or citizenship, as applicable. In the case of a Participant who was previously employed by the Company and was re-hired on or after January 1, 2015, prior service will be recognized and he or she will be covered by clause (i) above depending on his or her age on January 1, 2015. In the case of a Participant who becomes employed by the Company as the result of a merger or acquisition, the definition of "Retirement" shall be governed by the applicable contractual documentation related to the transaction, but in the absence thereof then prior service will be recognized and he or she will be covered by clause (i) above depending on his or her age on January 1, 2015. In addition, in the cases of each of clauses (i) and (ii) above, (1) the Company or the Committee may in its discretion impose on a Participant additional conditions regarding non-competition and non-solicitation of clients and employees in order for the Participant to realize the benefits relating to a qualified Retirement for purposes of the Plan and (2) the Board may in its discretion modify the terms of specific Awards, to be reflected in the respective Award Agreements related to such Awards, so as to impose a different definition of "Retirement" from that which is set forth in the Plan.

(pp) "*SAR Period*" has the meaning given such term in Section 8(c) of the Plan.

(qq) "*Securities Act*" means the Securities Act of 1933, as amended, and any successor thereto. Reference in the Plan to any section of the Securities Act shall be deemed to include any rules, regulations, or other interpretative guidance under such section, and any amendments or successor provisions to such section, rules, regulations, or guidance.

(rr) "*Stock Appreciation Right*" or "SAR" means an Award granted under Section 8 of the Plan.

(ss) "*Strike Price*" means, except as otherwise provided by the Committee in the case of Substitute Awards, (i) in the case of a SAR granted in tandem with an Option, the Exercise Price of the related Option; or (ii) in the case of a SAR granted independent of an Option, an amount not less than the Fair Market Value on the Date of Grant.

(tt) "*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares or any equivalent equity-type ownership (without regard to the occurrence of any contingency and after giving effect to any voting agreement or shareholders' agreement that effectively transfers voting power) is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company (or any comparable foreign entity) (a) the sole general partner (or functional equivalent thereof) or the managing general partner of which is such Person and/or a Subsidiary of such Person; or (b) the only general partners (or functional equivalents thereof) of which are that Person and/or one or more Subsidiaries of that Person (or any combination thereof).

(uu) "*Substitute Award*" has the meaning given such term in Section 5(e).

(vv) "*Termination of Service*" means, with respect to Deferred Compensation Awards, a "separation from service" within the meaning of Treasury Regulations Section 1.409A-1(h), or, with respect to any other Award, means (i) a Participant is no longer providing services to the Company or an Affiliate as an officer, employee, director, advisor or consultant or (ii) with respect to an individual who is an officer, employee or consultant to an Affiliate, such entity ceases to be an Affiliate of the Company and such individual is not providing services to the Company or another Affiliate; provided, however, that the Committee shall have the discretion to determine whether or when a Participant who terminates services as an employee, but continues to provide services in the capacity of an officer, consultant, advisor or director immediately following such termination, has incurred a Termination of Service.

(ww) "*Total Payment*" has the meaning given such term in Section 15(aa).

3. Effective Date; Duration

The Plan shall be effective as of the Effective Date. Unless sooner terminated by the Board in accordance with Section 14 hereof, the expiration date of the Plan, on and after which date no Awards may be granted hereunder, shall be the tenth (10th) anniversary of the Effective Date; provided, however, that such expiration shall not affect Awards then outstanding, and the terms and conditions of the Plan shall continue to apply to such Awards.

4. Administration

(a) *Generally*. The Committee shall administer the Plan. If a Committee member shall fail to qualify as an Eligible Director, such failure shall not invalidate any Award granted by the Committee that is otherwise validly granted under the Plan, unless invalidation is required by applicable law or securities exchange requirement. Unless otherwise expressly provided in the applicable charter or bylaws, the acts of a majority of the members present at any meeting at which a quorum is present or acts approved in writing by a majority of the Committee shall be deemed the acts of the Committee.

(b) *Committee Authority*. Subject to the provisions of the Plan (including as to delegation of authority) and applicable law, the Committee shall have the sole and plenary authority, in addition to other express powers and authorizations conferred on the Committee by the Plan, to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; determine the number of shares of Common Stock to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with Awards; (iv) determine the terms and conditions of any Award and Award Agreement (including approval of forms of Award Agreement(s)); (v) determine whether, to what extent, and under what circumstances Awards may be settled, adjusted, or exercised in cash, shares of Common Stock, other securities, other Awards or other property, or canceled, forfeited or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances the delivery of cash, shares of Common Stock, other securities, other Awards or other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the Participant or of the Committee; (vii) interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; (viii) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Plan; (ix) accelerate the vesting or exercisability of, payment for or lapse of restrictions on, Awards; and (x) make any other determination, and take any other action, that the Committee deems necessary or desirable for the administration of the Plan.

(c) *Delegation*. The Committee may delegate to one or more Officers of the Company or any Affiliate the authority to act on behalf of the Committee with respect to any matter, right, obligation or election that is the responsibility of or that is allocated to the Committee herein, subject to the requirements of applicable law.

(d) *Discretion of Committee*. Unless otherwise expressly provided in the Plan (including in Section 13(b) of the Plan), all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards granted pursuant to the Plan shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all Persons, including the Company or any Affiliate, any Participant, any holder or beneficiary of any Award and any shareholder of the Company.

(e) *Indemnification*. A member of the Board, the Committee, a delegate of the Committee or any employee or agent of the Company acting under the Plan will be indemnified in accordance with the Company's applicable governing documents as in effect from time to time.

(f) *Discretion to Grant Awards and Interpret Plan*. Notwithstanding anything to the contrary contained in the Plan, the Board may, in its sole discretion, at any time and from time to time, grant Awards and administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority granted to the Committee under the Plan.

5. Shares Subject to the Plan; Grant of Awards; Limitations

(a) *Shares Subject to the Plan*. Awards granted under the Plan shall be subject to the following limitations:

(i) subject to Section 13 of the Plan, the Committee is authorized to deliver under the Plan 1,687,845 shares of Common Stock;

(ii) subject to Section 13 of the Plan, grants of Options or SARs under the Plan in respect of no more than 250,000 shares of Common Stock may be made to any single Participant during any calendar year, and, subject to Section 13 of the Plan, grants of Incentive Stock Options under the Plan in respect of no more than 250,000 shares of Common Stock may be made to any single Participant during any calendar year;

(iii) subject to Section 13 of the Plan, no more than 250,000 shares of Common Stock may be earned in respect of Performance Awards denominated in shares of Common Stock granted pursuant to Section 11 of the Plan to any single Participant for a single calendar year during a performance period, or in the event such Performance Award is paid in cash, other securities, other Awards or other property, no more than the Fair Market Value of 250,000 shares of Common Stock on the last day of the performance period to which such Award relates; and

(iv) the maximum amount that can be paid to any single Participant in any one calendar year pursuant to a cash compensation opportunity Award described in Section 11 of the Plan shall be $15,000,000. Subject to Section 13 of the Plan, the total compensation for any non-employee director for any fiscal year shall not exceed $750,000, which is inclusive of cash and the aggregate grant date value (calculated by multiplying the Fair Market Value of a share of Common Stock on the Date of Grant by the aggregate number of shares subject to such Award) of any Awards granted during any fiscal year.

(b) *Grant of Awards*. The Committee may, from time to time, grant Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Other Stock-Based Awards, Deferred Stock Awards and/or Performance Awards to one or more Eligible Persons selected in its sole discretion. Common Stock under the Plan may be delivered in settlement of a deferred compensation obligation with the Company, and such grant of Common Stock hereunder shall count under the Plan as an Other Stock-Based Award or Deferred Stock Award (as the case may be) on such terms and conditions as the Committee determines. An Eligible Person may be granted more than one Award under the Plan, and Awards may be granted at any time or times during the term of the Plan. The grant of an Award to an Eligible Person shall not be deemed either to entitle that individual to, or to disqualify that individual from, participation in any other grant of Awards under the Plan.

(c) *Share Counting*. For purposes of Section 5(a), (i) each share of Common Stock underlying an outstanding Option under the Plan or Former Plan shall reduce the available shares by one (1) share; (ii) a number equal to the greater of each share available to be delivered upon exercise of a SAR and the number of shares underlying a SAR under the Plan (whether the distribution is made in cash, shares or a combination thereof) shall reduce the available shares by one (1) share, other than a SAR that, by its terms, from and after the Date of Grant thereof is payable only in cash, in which case the available shares shall not be reduced; and (iii) each share of Common Stock delivered pursuant to, or otherwise underlying, an Award under the Plan other than an Option, SAR or Substitute Award (defined below), shall reduce the available shares by one (1) share. Use of shares of Common Stock to pay the required Exercise Price or tax obligations shall, notwithstanding anything herein to the contrary, not be available again for other Awards under the Plan. Shares underlying Awards under this Plan or the Former Plan that are forfeited, cancelled, expire unexercised, or are settled in cash shall be available again for Awards under the Plan. Shares of Common Stock repurchased by the Company with proceeds received from the exercise of an Option issued under this Plan or the Former Plan, or shares of Common Stock repurchased by the Company on the open market using the proceeds from the exercise of an Award, in either instance, shall not be added back or available for grant hereunder. For the avoidance of doubt, Awards that can only be settled in cash shall not be treated as shares of Common Stock granted for purposes of this Plan. Upon the exercise of an Option or SAR under the Plan or Former Plan settled in shares of Common Stock, the number of shares of Common Stock subject to the Option or SAR (or portion thereof) that is

being exercised shall not be available again for other Awards under the Plan notwithstanding the number of shares of Common Stock actually delivered in connection with the exercise of such Award. The maximum number of shares of Common Stock that may be issued under the Plan in this Section 5 shall not be affected by (i) the payment of dividends or Dividend Equivalents in cash or in shares of Common Stock in connection with outstanding Awards; or (ii) any shares required to satisfy Substitute Awards.

(d) *Source of Shares*. Shares delivered pursuant to the Plan may be, in whole or in part, authorized and unissued shares, or treasury shares, including shares repurchased by the Company for purposes of the Plan.

(e) *Substitute Awards*. Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines ("*Substitute Awards*").

(f) *One-Year Period of Restrictions*. Except as otherwise provided pursuant to Section 13(b) or Section 14(b), the vesting period or restrictions on any share-based Award granted to any Participant shall not be less than one (1) year from the date of grant; provided that the Committee may provide for a vesting or restriction period of less than one-year for up to 5% of the available shares as set forth in Section 5(a)(i) hereof.

6. Eligibility

Participation shall be limited to Eligible Persons who have entered into an Award Agreement or who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

7. Options

(a) *Generally*. Each Option granted under the Plan shall be subject to the conditions set forth in this Section 7 and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement (including the Exercise Price and the mechanics (as applicable) for determining or adjusting the Exercise Price). All Options granted under the Plan shall be Nonqualified Stock Options unless the applicable Award Agreement expressly states that the Option is intended to be an Incentive Stock Option. Incentive Stock Options shall be granted only to Eligible Persons who are employees of the Company and its Affiliates, and no Incentive Stock Option shall be granted to any Eligible Person who is ineligible to receive an Incentive Stock Option under the Code. No Option shall be treated as an Incentive Stock Option unless the Plan has been approved by the shareholders of the Company in a manner intended to comply with the shareholder approval requirements of Section 422(b)(1) of the Code; provided, that any Option intended to be an Incentive Stock Option shall not fail to be effective solely on account of a failure to obtain such approval, but rather such Option shall be treated as a Nonqualified Stock Option unless and until such approval is obtained. In the case of an Incentive Stock Option, the terms and conditions of such grant shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code. If for any reason an Option intended to be an Incentive Stock Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such non- qualification, such Option or portion thereof shall be regarded as a Nonqualified Stock Option appropriately granted under the Plan.

(b) *Exercise Price*. Except as otherwise provided by the Committee in the case of Substitute Awards or pursuant to Section 13, the exercise price (the "*Exercise Price*") per share of Common Stock for each Option shall not be less than 100% of the Fair Market Value of such share on the Date of Grant; provided, however, that, in the case of an Incentive Stock Option granted to an employee who, at the time of the grant of such Option, owns shares representing more than 10% of the voting power of all classes of shares of the Company or any Affiliate, the Exercise Price per share shall not be less than 110% of the Fair Market Value per share on the Date of Grant.

(c) *Vesting and Expiration*. Options shall (i) vest and become exercisable in such manner and on such date or dates, and (ii) expire after such period, not to exceed ten years (the "*Option Period*"), in each case, as may be determined by the Committee and as set forth in an Award Agreement. With respect to an Incentive Stock Option, the Option Period shall not exceed five years from the Date of Grant granted to a Participant who on the Date of Grant owns shares representing more than 10% of the voting power of all classes of shares of the Company or any Affiliate. Notwithstanding any vesting dates set by the Committee in the Award Agreement, the Committee may, consistent with the terms of the Plan, accelerate the vesting and/or exercisability of any Option, which acceleration shall not affect the terms and conditions of such Option other than with respect to vesting and/or exercisability (as determined by the Committee). Unless otherwise provided by the Committee in an Award Agreement or otherwise determined by it in accordance with the Plan: (i) the unvested portion of an Option shall expire upon termination of employment or service of the Participant granted the Option without consideration therefor, and the vested portion of such Option shall remain exercisable for (A) one year following termination of employment or service by reason of such Participant's death or Disability, but not later than the expiration of the Option Period or (B) ninety (90) days following termination of employment or service for any reason other than such Participant's death or Disability, and other than such Participant's termination of employment or service for Cause, but not later than the expiration of the Option Period and (ii) both the unvested and the vested portion of an Option shall automatically expire upon the termination of the Participant's employment or service by the Company for Cause without consideration therefor.

(d) *Method of Exercise and Form of Payment*. No shares of Common Stock shall be delivered pursuant to any exercise of an Option until payment or satisfaction of the Exercise Price therefor is received by the Company and the Participant has paid to the Company an amount equal to any federal, state, local and non-U.S. income and

employment taxes required to be withheld. Options that have become exercisable may be exercised by delivery of written notice of exercise or, if provided for, electronic notice of exercise, to the Company in accordance with the terms of the Option accompanied by payment of the Exercise Price. The Exercise Price shall be payable (i) in cash, check, cash equivalent and/or shares of Common Stock having a Fair Market Value on the date of exercise equal to the Exercise Price (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to the Company); provided, that such shares of Common Stock are not subject to any pledge or other security interest and are held for the applicable period as determined by the Company's auditors to avoid adverse accounting charges; and (ii) by such other method as the Committee may permit in accordance with applicable law, in its sole discretion, including: (A) in other property having a fair market value on the date of exercise equal to the Exercise Price; or (B) if there is a public market for the shares of Common Stock at such time, by means of a broker-assisted "cashless exercise" pursuant to which the Company is delivered a copy of irrevocable instructions to a broker to sell the shares of Common Stock otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the Exercise Price or (C) by a "net exercise" method whereby the Company withholds from the delivery of the shares of Common Stock for which the Option was exercised that number of shares of Common Stock having a Fair Market Value equal to the aggregate Exercise Price for the shares of Common Stock for which the Option was exercised. Any fractional shares of Common Stock shall be settled in cash.

The Committee may specify a reasonable minimum number of shares of Common Stock or a percentage of the shares subject to an Option that may be purchased on any exercise of an Option; provided, that such minimum number shall not prevent a Participant from exercising the full number of shares of Common Stock as to which the Option is then exercisable.

(e) *Incentive Stock Options*. Any Option designated as an Incentive Stock Option shall not constitute an Incentive Stock Option to the extent such Option is for shares of Common Stock having an aggregate Fair Market Value (as of the Date of Grant) in excess of $100,000, determined as of the date such Option is exercisable for the first time by such Participant during any year and in accordance with the provisions of Section 422 of the Code.

(f) *Notification upon Disqualifying Disposition of an Incentive Stock Option*. Each Participant awarded an Incentive Stock Option under the Plan shall notify the Company in writing promptly after the date the Participant makes a disqualifying disposition of any shares of Common Stock acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including any sale) of such shares of Common Stock before the later of (i) two years after the Date of Grant of the Incentive Stock Option; or (ii) one year after the date of exercise of the Incentive Stock Option upon which such shares were issued. The Company may, if determined by the Committee and in accordance with procedures established by the Committee, retain possession of any shares of Common Stock acquired pursuant to the exercise of an Incentive Stock Option as agent for the applicable Participant until the end of the period described in the preceding sentence.

(g) *Compliance With Laws, etc*. Notwithstanding the foregoing, in no event shall a Participant be permitted to exercise an Option in a manner that the Committee determines would violate the Sarbanes-Oxley Act of 2002, if applicable, or any other applicable law or the applicable rules and regulations of the Securities and Exchange Commission or the applicable rules and regulations of any securities exchange on which the securities of the Company are listed or traded.

(h) *Dividend Equivalents*. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an Option.

8. Stock Appreciation Rights

(a) *Generally*. Each SAR granted under the Plan shall be subject to the conditions set forth in this Section 8, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Any Option granted under the Plan may include tandem SARs. The Committee also may award SARs to Eligible Persons independent of any Option.

(b) *Strike Price*. Except as otherwise provided by the Committee in the case of Substitute Awards or pursuant to Section 13, the Strike Price per share of Common Stock for each SAR shall not be less than 100% of the Fair Market Value of such share on the Date of Grant.

(c) *Vesting and Expiration*. A SAR granted in connection with an Option shall become exercisable and shall expire according to the same vesting schedule and expiration provisions as the corresponding Option. Any other SAR shall (i) vest and become exercisable in such manner and on such date or dates; and (ii) expire after such period, not to exceed ten years (the "*SAR Period*"), in each case as may be determined by the Committee and as set forth in an Award Agreement; provided, however, that notwithstanding any vesting dates set by the Committee in the Award Agreement, the Committee may, in its sole discretion (except as provided in Section 13(b)), accelerate the exercisability of any SAR, which acceleration shall not affect the terms and conditions of such SAR other than with respect to exercisability. Unless otherwise provided by the Committee in an Award Agreement: (i) the unvested portion of a SAR shall expire upon termination of employment or service of the Participant granted the SAR, and the vested portion of such SAR shall remain exercisable for (A) one year following termination of employment or service by reason of such Participant's death or Disability, but not later than the expiration of the SAR Period; or (B) ninety (90) days following termination of employment or service for any reason other than such Participant's death or Disability, and other than such Participant's termination of employment or service for Cause, but not later than the expiration of the SAR Period; and (ii) both the unvested and the vested portion of a SAR shall expire without consideration therefor upon the termination of the Participant's employment or service by the Company for Cause.

(d) *Method of Exercise*. SARs that have become exercisable may be exercised by delivery of written or electronic notice of exercise to the Company in accordance with the terms of the Award, specifying the number of SARs to be exercised and the date on which such SARs were awarded. Notwithstanding the foregoing, if on the last day of the Option Period (or in the case of a SAR independent of an Option, the SAR Period), the Fair Market Value of a share of Common Stock exceeds the Strike Price, the Participant has not exercised the SAR or the corresponding Option (if applicable), and neither the SAR nor the corresponding Option (if applicable) has expired, such SAR shall be deemed to have been exercised by the Participant on such last day and the Company shall make the appropriate payment therefor.

(e) *Payment*. Upon the exercise of a SAR, the Company shall pay to the Participant an amount equal to the number of shares subject to the SAR that are being exercised multiplied by the excess, if any, of the Fair Market Value of a share of Common Stock on the exercise date over the Strike Price, less an amount equal to any federal, state, local and non-U.S. income and employment taxes required to be withheld. The Company shall pay such amount in cash, in shares of Common Stock with a Fair Market Value equal to such amount, or any combination thereof, as determined by the Committee in an Award Agreement or otherwise. Any fractional share of Common Stock shall be settled in cash.

(f) *Dividend Equivalents*. For the avoidance of doubt, no Dividend Equivalents shall be granted in connection with an SAR.

9. Restricted Stock and Restricted Stock Units

(a) *Generally*. Each such grant of Restricted Stock or Restricted Stock Units under the Plan shall be subject to the conditions set forth in this Section 9, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) *Restricted Stock — Accounts, Escrow or Similar Arrangement*. Upon the grant of Restricted Stock, a book entry in a restricted account shall be established in the Participant's name at the Company's transfer agent and, if the Committee determines that the Restricted Stock shall be held by the Company or in escrow rather than held in such restricted account pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (i) an escrow agreement satisfactory to the Committee, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to the Restricted Stock covered by such agreement. If a Participant shall fail to execute an Award Agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and blank stock power within the amount of time specified by the Committee, the Award shall be null and void. Subject to the restrictions set forth in this Section 9 and unless otherwise set forth in an applicable Award Agreement, the Participant generally shall have the rights and privileges of a shareholder as to such Restricted Stock, including the right to vote such Restricted Stock and the right to receive dividends, if applicable. To the extent shares of Restricted Stock are forfeited, any share certificates issued to the Participant evidencing such shares shall be returned to the Company, and all rights of the Participant to such shares and as a shareholder with respect thereto shall terminate without further obligation on the part of the Company.

(c) *Vesting; Acceleration of Lapse of Restrictions*. The Restricted Period shall lapse with respect to an Award of Restricted Stock or Restricted Stock Units at such times as provided by the Committee in an Award Agreement or otherwise determined in a manner consistent with the Plan, and the unvested portion of Restricted Stock and Restricted Stock Units shall terminate and be forfeited upon termination of employment or service of the Participant without consideration therefor.

(d) *Delivery of Restricted Stock and Settlement of Restricted Stock Units*.

(i) Upon the expiration of the Restricted Period with respect to any shares of Restricted Stock, the restrictions set forth in the applicable Award Agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award Agreement. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his beneficiary, without charge, the share certificate evidencing the shares of Restricted Stock that have not then been forfeited and with respect to which the Restricted Period has expired (rounded down to the nearest full share). Dividends on Restricted Stock shall accumulate and be withheld until the restrictions on such Restricted Stock lapse. Dividends, if any, that may have been withheld by the Committee and attributable to any particular share of Restricted Stock shall be distributed to the Participant in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, upon the release of restrictions on such share and, if such share is forfeited, the Participant shall have no right to such dividends (except as otherwise set forth by the Committee in the applicable Award Agreement).

(ii) Unless otherwise provided by the Committee in an Award Agreement or otherwise determined by the Committee in accordance with the Plan, upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or his beneficiary, without charge, one share of Common Stock for each such outstanding Restricted Stock Unit; provided, however, that the Committee may, in its sole discretion, elect to (A) pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock in respect of such Restricted Stock Units; or (B) defer the delivery of shares of Common Stock (or cash or part Common Stock and part cash, as the case may be) beyond the expiration of the Restricted Period if such delivery would result in a violation of applicable law until such time as is no longer the case. If a cash

payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the shares of Common Stock as of the date on which the Restricted Period lapsed with respect to such Restricted Stock Units, less an amount equal to any federal, state, local and non-U.S. income and employment taxes required to be withheld.

(e) *Legends on Restricted Stock*. As determined by the Committee in its sole discretion, each certificate representing Restricted Stock awarded under the Plan shall bear a legend in the form and containing such information as the Committee determines appropriate until the lapse of all restrictions with respect to such Common Stock.

(f) *Dividend Equivalents*. Unless otherwise provided in an Award Agreement, each Restricted Stock Unit shall include the right to receive Dividend Equivalents as provided herein. Dividend Equivalents will accumulate and be withheld until the applicable Restricted Stock Units upon which the Dividend Equivalents are awarded vest and any Dividend Equivalent payments that have accumulated and have been withheld by the Committee and attributable to any particular Restricted Stock Unit shall be distributed to the Participant in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such Dividend Equivalent payments then due. Upon the vesting and settlement of Restricted Stock Units that include Dividend Equivalents, the Dividend Equivalents attributable to such Restricted Stock Units shall expire automatically.

10. Other Stock-Based Awards

(a) *Generally*. The Committee may issue unrestricted shares of Common Stock, or other Awards denominated in shares of Common Stock, whether restricted or unrestricted and whether current or deferred, under the Plan to Eligible Persons, either alone or in tandem with other awards, in such amounts as the Committee shall from time to time in its sole discretion determine.

(b) *Terms and Conditions*. Each Other Stock-Based Award granted under the Plan shall be subject to such conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(c) *Dividend Equivalents*. Unless otherwise provided in an Award Agreement, each Other-Stock Based Award shall include the right to receive Dividend Equivalents as provided herein. Dividend Equivalents will accumulate and be withheld until the applicable Other-Stock Based Award upon which the Dividend Equivalents are awarded vest (if subject to vesting) and any Dividend Equivalent payments that have accumulated and have been withheld by the Committee and attributable to any particular Other-Stock Based Award shall be distributed to the Participant in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such Dividend Equivalent payments then due. Upon the vesting and settlement of Other-Stock Based Award that include Dividend Equivalents, the Dividend Equivalents attributable to such Other-Stock Based Award shall expire automatically.

11. Performance Awards

(a) *Generally*. The Committee shall have the authority to make the grant, vesting or payment of any Award subject to the achievement of one or more performance goals established by the Committee in such amounts and upon such terms as the Committee shall determine ("Performance Awards").

(b) *Discretion of Committee with Respect to Performance Awards*. With regard to a particular Award, the Committee shall have sole discretion to select the length of the period for measuring performance, the type(s) of Performance Awards to be issued, the performance measures that will be used for a Performance Award, the kind(s) and/or level(s) of performance that will lead to the vesting or grant of shares subject to a Performance Award, and to determine the performance achieved and level of payout under such Performance Award (except as provided by Section 13(b)).

(c) *Payment of Performance Awards*. Unless otherwise provided in the applicable Award Agreement or as otherwise determined by the Committee, a Participant must be employed by the Company or an Affiliate of the Company on the date of payment with respect to a performance period for a Performance Award to be eligible to receive such payment in respect of the Performance Award.

(d) *Timing of Payments*. Performance Awards granted for a performance period shall be paid to Participants as soon as administratively practicable following completion of the performance period and in a manner intended to be exempt or comply with Code Section 409A and local law, as applicable. For Performance Awards covering participants who are U.S. employees and for which no Deferral Election has been made, Performance Awards will be paid in the fiscal year that follows the fiscal year during which the performance period ends and no later than two-and-one-half months following the end of the fiscal year during which the performance period is completed (or at such other time as would not result in a violation of Code Section 409A).

(e) *Dividend Equivalents*. The Committee may grant Dividend Equivalents in respect of Performance Awards. Unless otherwise provided in an Award Agreement, no Performance Award shall include the right to receive Dividend Equivalents. Any Dividend Equivalents granted in respect of Performance Awards will accumulate and be withheld until the applicable Performance Awards upon which the Dividend Equivalents are awarded vest and any Dividend Equivalent payments that have accumulated and have been withheld by the Committee and attributable to any particular Performance Awards shall be distributed to the Participant in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such Dividend Equivalent payments then due. Upon the vesting and settlement of Performance Awards that include Dividend Equivalents, the Dividend Equivalents attributable to such Performance Awards shall expire automatically.

12. Deferred Stock

(a) *Grant of Deferred Stock*. Subject to and consistent with the provisions of the Plan and applicable requirements of Section 409A of the Code, the Committee, at any time and from time to time, may grant Deferred Stock to any Eligible Person in such number, and upon such terms, as the Committee may determine (including, to the extent allowed by the Committee, grants at the election of a Participant to convert shares of Common Stock to be acquired upon lapse of restrictions on Restricted Stock or Restricted Stock Units into such Deferred Stock). A Participant shall have no voting rights with respect to Deferred Stock Awards unless otherwise expressly determined otherwise by the Committee.

(b) *Award Agreement*. Each grant of Deferred Stock shall be evidenced by an Award Agreement that shall specify the number of shares of Common Stock underlying the Deferred Stock subject to an Award, the settlement date such shares of Deferred Stock shall be settled and such other provisions as the Committee shall determine that are in accordance with the Plan and Section 409A of the Code.

(c) *Deferred Stock Elections*.

(i) *Making of Deferral Elections*. If and to the extent permitted by the Committee, an Eligible Person may elect (a "*Deferral Election*"), at such times and in accordance with rules and procedures adopted by the Committee (which shall comport with Section 409A of the Code), to receive all or any portion of such Eligible Person's salary, bonus (including, for the avoidance of doubt, bonuses paid under another plan of the Company) and/or retainer (in the case of a director) (including any cash or share award, other than Options or SARs) either in the form of a number of shares of Deferred Stock equal to the quotient of the amount of salary, bonus and/or retainer or other permissible Award to be paid in the form of Deferred Stock divided by the Fair Market Value of one share of Common Stock on the date such salary, bonus, retainer or other such Award would otherwise be paid in cash or distributed in shares or pursuant to such other terms and conditions as the Committee may determine. The Date of Grant for an Award of Deferred Stock made pursuant to a Deferral Election shall be the date the deferrable amount subject to a Deferral Election would otherwise have been paid to the Participant in cash or shares, unless otherwise determined by the Committee.

(ii) *Timing of Deferral Elections*. Deferral Elections must be timely filed with the Company pursuant to procedures and policies established by the Committee from time to time.

(d) *Deferral Account*.

(i) *Establishment of Deferral Accounts*. The Company shall establish an account ("*Deferral Account*") on its books for each Eligible Person who receives a grant of Deferred Stock or makes a Deferral Election. Deferred Stock shall be credited to the Participant's Deferral Account as of the Date of Grant of such Deferred Stock. Deferral Accounts shall be maintained for recordkeeping purposes only, and the Company shall not be obligated to segregate or set aside assets representing securities or other amounts credited to Deferral Accounts. The obligation to make distributions of securities or other amounts credited to Deferral Accounts shall be an unfunded, unsecured obligation of the Company and no Participant shall have the rights in respect of Deferral Accounts greater than that of an unsecured creditor of the Company.

(ii) *Crediting of Dividend Equivalents*. Except as otherwise provided in an Award Agreement, whenever dividends are paid or distributions made with respect to shares of Common Stock, Dividend Equivalents shall be credited to Deferral Accounts on all Deferred Stock credited thereto as of the record date for such dividend or distribution but only to the extent that a Participant to whom Deferred Stock has been credited is vested in his or her Deferred Stock as of such record date. No Dividend Equivalents will be credited (or accumulated) to Deferral Accounts on any Deferred Stock credited thereto for which a Participant has not vested in his or her Deferred Stock as of such record date. Such Dividend Equivalents to be credited to the Deferral Account shall be in the form of additional Deferred Stock in a number determined by dividing the aggregate value of such Dividend Equivalents by the Fair Market Value of a share at the payment date of such dividend or distribution.

(iii) *Settlement of Deferral Accounts*. The Company shall settle a Deferral Account by delivering to the holder thereof (which may be the Participant or his or her beneficiary, as applicable) a number of shares of Common Stock equal to the number of shares of Deferred Stock then credited to the Participant's Deferral Account (or a specified portion in the event of any partial settlement); provided, however, that, unless otherwise determined by the Committee, any fractional shares of Deferred Stock remaining in the Deferral Account on the settlement date shall be distributed in cash in an amount equal to the Fair Market Value of a share of Common Stock as of the settlement date multiplied by the remaining fractional share, as determined by the Committee. The settlement date for all Deferred Stock credited in a Participant's Deferral Account shall be determined in accordance with Section 409A of the Code and shall be specified in the applicable Award Agreement or Deferral Election. The Committee may establish a sub-plan to reflect the Deferred Stock provisions under the Plan and the procedures, policies and terms applicable thereto.

(e) *Sub-plan*. The Committee may establish one or more sub-plans hereunder that are consistent with the terms of the Plan with respect to Deferral Accounts, Deferred Stock, and/or deferred amounts hereunder, including so as to comply with Code Section 409A to the extent applicable.

13. Changes in Capital Structure and Similar Events

(a) *Effect of Certain Events*. In the event of (i) any extraordinary dividend or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, amalgamation, consolidation, split-up, split-off, combination, repurchase or exchange of shares of Common Stock or other securities of the Company, issuance of warrants or other rights to acquire shares of Common Stock or other securities of the Company, or other similar corporate transaction or event (including a Change in Control) that affects the shares of Common Stock; or (ii) unusual or nonrecurring events (including a Change in Control) affecting the Company or any Affiliate, or the financial statements of the Company or any Affiliate, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate, then the Committee shall make any such adjustments in such manner as it may deem equitable, including any or all of the following:

(i) adjusting any or all of (A) the number of shares of Common Stock or other securities of the Company (or number and kind of other securities or other property) that may be delivered in respect of Awards or with respect to which Awards may be granted under the Plan (including adjusting any or all of the limitations under Section 5 of the Plan); and (B) the terms of any outstanding Award, including (1) the number of shares of Common Stock or other securities of the Company (or number and kind of other securities or other property) subject to outstanding Awards; or to which outstanding Awards relate; (2) the Exercise Price or Strike Price with respect to outstanding Awards; or (3) any applicable performance measures (including performance measures and performance goals);

(ii) providing for a substitution or assumption of Awards, accelerating the exercisability of, lapse of restrictions on, or termination of, Awards or providing for a period of time for exercise prior to the occurrence of such event; and

(iii) and if not assumed or substituted, canceling any one or more outstanding Awards or portion thereof and causing to be paid to the holders thereof, in cash, shares of Common Stock, other securities or other property, or any combination thereof, the value of such Awards, if any, as determined by the Committee (which if applicable may be based upon the price per share of Common Stock received or to be received by other shareholders of the Company in such event), including, in the case of an outstanding Option or SAR, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the shares of Common Stock subject to such Option or SAR over the aggregate Exercise Price or Strike Price of such Option or SAR (it being understood that, in such event, any Option or SAR having a per share Exercise Price or Strike Price equal to, or in excess of, the Fair Market Value of a share of Common Stock subject thereto may be canceled and terminated without any payment or consideration therefor); provided, however, that in the case of any "equity restructuring" (within the meaning of FASB Accounting Standards Codification Topic 718 or any successor rule), the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring. Any adjustment in Incentive Stock Options under this Section 13 (other than any cancellation of Incentive Stock Options) shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code, and any otherwise applicable adjustments under this Section 13 shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act or the exemption under Section 409A of the Code, to the extent applicable. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

(b) *Effect of Change in Control*. If, during the effectiveness of the Plan, a Change in Control occurs and, during the two-year period immediately following the consummation of such Change in Control, a Participant incurs an involuntary Termination of Service without Cause, such Participant shall be entitled to the following treatment with respect to his or her Awards (as applicable): (A) each Option and SAR that is at the time outstanding under the Plan shall become fully vested and exercisable with respect to all shares of Common Stock covered thereby; (B) the Restricted Period shall expire and restrictions applicable to all outstanding Restricted Stock Awards and Restricted Stock Units shall lapse and such Awards shall become fully vested; and (C) all outstanding Performance Awards for any performance period that was in effect at the date of Termination of Service will vest in full, calculated as to each such Performance Award assuming that any performance goal will have been achieved (for the entire performance period) at the target level. Notwithstanding any provision of the Plan to the contrary, following a Change in Control, the Committee shall not have any discretion to amend or modify the terms of any Award that was in effect immediately prior to the Change in Control; including, without limitation, as a result of its use of the discretionary authority under Section 13(a) of the Plan as a result of the Change in Control other than as required to comply with changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law.

(c) *No Limit on Power to Undertake Changes in Capital Structure and Similar Events*. The existence of this Plan and Awards granted hereunder shall not affect in any way the right or power of the Board or the shareholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities senior to, or affecting, the Common Stock or the rights thereof, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

14. Amendments and Termination

(a) *Amendment and Termination of the Plan*. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; provided, that (i) no amendment to Section 11(c) or Section 14(b) (to the extent required by the proviso in such Section 14(b)) shall be made without shareholder approval; and (ii) no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including as necessary to comply with any rules or requirements of any securities exchange on which the Common Stock may be listed or quoted); provided, further, that any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(b) *Amendment of Award Agreements*. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted or the associated Award Agreement, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant with respect to any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant; provided, further, that, without shareholder approval as may be required by applicable law or the rules of the applicable securities exchange on which the Common Stock is listed or quoted, except as otherwise permitted under Section 13 of the Plan or in connection with Substitute Awards, (i) no amendment or modification may reduce, and the Committee shall not reduce, the Exercise Price of any Option or the Strike Price of any SAR, (ii) the Committee may not cancel any outstanding Option or SAR and replace it with a new Option or SAR, another Award, or cash, and (iii) the Committee may not take any other action with respect to an Option or SAR that is considered a "repricing" for purposes of the shareholder approval rules of the applicable securities exchange on which the Common Stock is listed.

15. General

(a) *Award Agreements*. Each Award under the Plan shall be evidenced by an Award Agreement, which shall be delivered to and, to the extent required by the Committee, executed (or otherwise agreed to in electronic form) by the Participant (whether in paper or electronic medium (including e-mail or the posting on a web site maintained by the Company or a third party under contract with the Company)) and shall specify the terms and conditions of the Award and any rules applicable thereto, including, as applicable, the effect on such Award of the death, Disability or termination of employment or service of a Participant, or of such other events as may be determined by the Committee.

(b) *Nontransferability*.

(i) Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or an Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. Nothing herein shall be construed as requiring the Committee to honor the order of a domestic relations court regarding an Award, except to the extent required under applicable law.

(ii) Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards (other than Incentive Stock Options) to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award Agreement to preserve the purposes of the Plan, to: (A) any person who is a "family member" of the Participant, as such term is used in the instructions to Form S-8 under the Securities Act (collectively, the "*Immediate Family Members*"); (B) a trust solely for the benefit of the Participant and his or her Immediate Family Members; (C) a partnership or limited liability company whose only partners or members are the Participant and his or her Immediate Family Members; or (D) any other transferee as may be approved either (I) by the Board or the Committee in its sole discretion; or (II) as provided in the applicable Award Agreement (each transferee described in clauses (A), (B) (C) and (D) above is hereinafter referred to as a "*Permitted Transferee*"), provided, that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

(iii) The terms of any Award transferred in accordance with the immediately preceding sentence shall apply to the Permitted Transferee, and any reference in the Plan, or in any applicable Award Agreement, to a Participant shall be deemed to refer to the Permitted Transferee, except that Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and (C) the consequences of the termination of the Participant's employment by, or services to, the Company or an Affiliate under the terms of the Plan and the applicable Award Agreement shall continue to be applied with respect to the Participant, including that an Option or SAR shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award Agreement.

(c) *Tax Withholding*.

(i) A Participant shall be required to pay to the Company or any Affiliate, and the Company or any Affiliate shall be permitted and is hereby authorized to withhold, from any cash, shares of Common Stock, other securities or other property deliverable under any Award or from any compensation or other amounts owing to a Participant, the amount (in cash, shares of Common Stock, other securities or other property) of any required withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee or the Company to satisfy all obligations for the payment of such withholding taxes.

(ii) Without limiting the generality of clause (i) above, the Committee may, in its sole discretion, permit or require a Participant to satisfy, in whole or in part, the foregoing withholding liability by (A) the delivery of shares of Common Stock (which are not subject to any pledge or other security interest and are held for the applicable period as determined by the Company's auditors to avoid adverse accounting charges) owned by the Participant having a Fair Market Value equal to such withholding liability; or (B) having the Company withhold from the number of shares of Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award a number of shares with a fair market value equal to such liability. Notwithstanding anything herein to the contrary, the amount withheld shall not exceed the maximum statutory tax rates in the Participant's applicable jurisdictions. The maximum statutory tax rates are based on the applicable rates of the relevant tax authorities (for example, federal, state, and local), including the Participant's share of payroll or similar taxes, as provided in tax law, regulations or the authority's administrative practices, not to exceed the highest statutory rate in that jurisdiction (even if that rate exceeds the highest rate that may be applicable to the Participant) and that does not result in adverse accounting consequences.

(iii) Notwithstanding the remainder of this clause (d), the withholding of shares of Common Stock having a Fair Market Value equal to such withholding liability shall be the sole method of withholding for any Awards other than Options, SARs, or Dividend Equivalents for which shares of Common Stock are otherwise deliverable pursuant to their terms.

(d) *No Claim to Awards; No Rights to Continued Employment; Waiver*. No employee of the Company or an Affiliate, or other person, shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of the Company or an Affiliate, nor shall it be construed as giving any Participant any rights to continued service on the Board. The Company or any of its Affiliates may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or any Award Agreement.

(e) *International Participants*. With respect to Participants who reside or work outside of the United States of America, the Committee may in its sole discretion amend the terms of the Plan or outstanding Awards (or adopt one or more sub-plans) with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or its Affiliates.

(f) *Designation and Change of Beneficiary*. Each Participant may file with the Committee a written designation of one or more persons as the beneficiary(ies) who shall be entitled to receive the amounts payable with respect to an Award, if any, due under the Plan upon his death. A Participant may, from time to time, revoke or change his beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; provided, however, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by a Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate. Notwithstanding anything herein to the contrary, to the extent that a Participant's beneficiary designation would result in a duplication of, or unintended, benefits payable

under this Plan or would otherwise violate applicable law, the Committee shall have the authority to disregard such designation, and payments shall be made in accordance with applicable law.

(g) *Termination of Employment/Service*. Unless determined otherwise by the Committee at any point following such event or as otherwise provided in an Award Agreement, service shall not be considered terminated in the case of (i) any approved leave of absence; (ii) transfers among the Company or any Affiliate, or any successor, in any capacity of any employee, director or consultant; or (iii) any change in status as long as the individual remains in the service of the Company or an Affiliate in any capacity of employee, director or consultant. An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave. For purposes of each Incentive Stock Option, if such leave exceeds three (3) months, and re-employment upon expiration of such leave is not guaranteed by statute or contract, then the Incentive Stock Option shall be treated as a Nonqualified Stock Option on the day following the expiration of such three (3) month period.

(h) *No Rights as a Shareholder*. Except as otherwise specifically provided in the Plan or any Award Agreement or otherwise determined by the Committee, no person shall be entitled to the privileges of ownership in respect of shares of Common Stock that are subject to Awards hereunder until such shares have been issued or delivered to that person.

(i) *Government and Other Regulations*.

(i) The obligation of the Company to settle Awards in shares of Common Stock or other consideration shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell, and shall be prohibited from offering to sell or selling, any shares of Common Stock pursuant to an Award unless such shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless the Company has received an opinion of counsel, satisfactory to the Company, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. The Committee shall have the authority to provide that all certificates for shares of Common Stock or other securities of the Company or any Affiliate delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, the applicable Award Agreement, the federal securities laws, or the rules, regulations and other requirements of the Securities and Exchange Commission, any securities exchange upon which the Common Stock or other securities are then listed or quoted and any other applicable federal, state, local or non-U.S. laws, and, without limiting the generality of Section 9 of the Plan, the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. Notwithstanding any provision in the Plan to the contrary, the Committee reserves the right to add any additional terms or provisions or require representations of a Participant with respect to any Award granted under the Plan that it deems necessary or advisable in order that such Award complies with the applicable securities law and/or other legal requirements of any governmental entity to whose jurisdiction the Award is subject.

(ii) The Committee may cancel an Award or any portion thereof if it determines, in its sole discretion, that legal or contractual restrictions and/or blockage and/or other market considerations would make the Company's acquisition of shares of Common Stock from the public markets, the Company's issuance of shares of Common Stock to the Participant, the Participant's acquisition of shares of Common Stock from the Company and/or the Participant's sale of shares of Common Stock to the public markets, illegal, impracticable or inadvisable. If the Committee determines to cancel all or any portion of an Award in accordance with the foregoing, the Company shall pay to the Participant an amount equal to the excess of (A) the aggregate Fair Market Value of the shares of Common Stock subject to such Award or portion thereof canceled (determined as of the applicable exercise date, or the date that the shares would have been vested or delivered, as applicable); over (B) the aggregate Exercise Price or Strike Price (in the case of an Option or SAR, respectively) or any amount payable as a condition of delivery of shares of Common Stock (in the case of any other Award). Such amount shall be delivered to the Participant as soon as practicable following the cancellation of such Award or portion thereof and within such period as would not result in a violation of Code Section 409A.

(iii) Notwithstanding any provision herein or in any Award Agreement to the contrary, amounts payable or to be provided hereunder shall be subject to claw-back or disgorgement, to the extent applicable, under the Company's compensation clawback and recoupment policies (or similar policies of general applicability), as in effect and as may be amended from time to time. If pursuant to Section 10D of the Exchange Act, the Common Stock would not be eligible for continued listing on the securities exchange upon which the Common Stock is listed, if applicable, under Section 10D(a) of the Exchange Act if it (or they) did not adopt policies consistent with Section 10D(b) of the Act, then, in accordance with those policies that are so required, any incentive-based compensation payable to any Participant hereunder or pursuant to any Award Agreement or otherwise shall be subject to clawback in the circumstances, to the extent, and in the manner, required by Section 10D(b)(2) of the Exchange Act, as interpreted by rules of the Securities Exchange Commission or applicable stock exchange.

(j) *Payments to Persons Other Than Participants*. If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so directs the Company, be paid to his spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

(k) *Nonexclusivity of the Plan*. Neither the adoption of this Plan by the Board nor the submission of this Plan to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including the granting of stock options, other equity-based awards or incentive compensation otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

(l) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate, on the one hand, and a Participant or other person or entity, on the other hand. No provision of the Plan or any Award shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that, insofar as they may have become entitled to payment of compensation by performance of services, they shall have the same rights as other employees under general law.

(m) *Reliance on Reports*. Each member of the Committee and each member of the Board shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent public accountant of the Company and its Affiliates or Subsidiaries and/or any other information furnished in connection with the Plan by any agent of the Company or the Committee or the Board, other than himself.

(n) *Relationship to Other Benefits*. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company except as otherwise specifically provided in such other plan.

(o) *Governing Law*. The Plan shall be governed by and construed in accordance with the internal laws of the State of Maryland without giving effect to conflict of laws provisions.

(p) *Severability*. If any provision of the Plan or any Award or Award Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(q) *Obligations Binding on Successors*. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, amalgamation, consolidation or other reorganization of the Company, or upon any successor corporation or organization of the Company.

(r) *Incentive Stock Options Shareholder Approval*. The Plan shall become effective on the Effective Date, provided, however, that no Incentive Stock Options shall be valid as an Incentive Stock Option unless and until the Plan has been approved by shareholders no later than the twelve (12) month anniversary of adoption by the Board in the manner provided under Section 424 of the Code and Treasury Regulations thereunder. Nothing in this clause shall affect the validity of Awards granted after the Effective Date if such shareholder approval has not been obtained.

(s) *Expenses*. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

(t) *Interpretation*. Masculine pronouns and other words of masculine gender shall refer to both men and women. Whenever the words "include," "includes" or "including" are used in the Plan, they shall be deemed to be followed by the words "without limitation."

(u) *Titles and Headings*. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

(v) *Other Agreements*. The Committee may require, as a condition to the vesting of, grant of and/or the receipt of shares of Common Stock under an Award, that the Participant execute lock-up or other agreements, as it may determine in its sole and absolute discretion.

(w) *Payments*. Participants shall be required to pay, to the extent required by applicable law, any amounts required to receive shares of Common Stock under any Award made under the Plan.

(x) *Brokerage Accounts*. Participants shall abide by the terms of any brokerage, custody or similar agreement established by the Company in connection with administration of the Plan, including the automatic reinvestment of dividends and payments on shares of Common Stock awarded under the Plan, to the extent such shares of Common Stock are held pursuant to such agreement. Such brokerage, custody or similar agreement may be modified by the Company (subject to the consent of such broker or applicable counterparty) at any time and from time to time.

(y) *Section 409A*. To the extent applicable and notwithstanding any other provision of the Plan, the Plan and Award Agreements hereunder shall be administered, operated and interpreted in accordance with Section 409A of the Code, including any regulations or other guidance that may be issued after the date on which the Board approves the Plan, provided, however, that in the event that the Committee determines that any amounts payable hereunder may be taxable to a Participant under Section 409A of the Code prior to the payment and/or delivery to such Participant of such amount, the Company may (i) adopt such amendments to the Plan and related Award, and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder; and/or (ii) take such other actions as the Committee determines necessary or appropriate to comply with or exempt the Plan and/or Awards from the requirements of Section 409A of the Code. The Company and Affiliates make no guarantees to any Person regarding the tax treatment of Awards or payments made under the Plan, and, notwithstanding the above provisions and any agreement or understanding to the contrary, if any Award, payments or other amounts due to a Participant (or his or her beneficiaries, as applicable) results in, or causes in any manner, the application of any adverse tax consequence under Section 409A of the Code or otherwise to be imposed, then the Participant (or his or her Beneficiaries, as applicable) shall be solely liable for the payment of, and the Company and its Affiliates shall have no obligation or liability to pay or reimburse (either directly or otherwise) the Participant (or his or her beneficiaries, as applicable) for, any such adverse tax consequences. If any Deferred Compensation Award is payable to a "specified employee" (within the meaning of Treasury Regulations Section 1.409A-1(i)), then such payment, to the extent payable due to the Participant's Termination of Service and not otherwise exempt from Section 409A of the Code, shall not be paid before the date that is six (6) months after the date of such Termination of Service (or, if earlier, the date of such Participant's death) and shall be paid on the first business day following such six (6) month anniversary (or death, as applicable).

(z) *Data Privacy*. Except as prohibited by applicable law (including, as applicable, foreign laws), the receipt by a Participant of an Award and the benefits thereunder may be conditioned on such Participant acknowledging and consenting to the collection, use and transfer, in electronic or other form, of personal data as described in this subsection by and among, as applicable, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in this Plan. The Committee may, from time to time and at any time, require Participants to execute consents or similar agreements providing for such collection, use and transfer, in a manner consistent with applicable law (including, as applicable, foreign laws). Subject to applicable law (including, as applicable, foreign laws), the Company and its Affiliates may hold certain personal information about a Participant, including but not limited to, the Participant's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares held in the Company or any of its Subsidiaries and Affiliates, and details of all Awards, in each case, for the purpose of implementing, managing and administering this Plan and Awards (the "*Data*"). Subject to applicable law (including, as applicable, foreign laws), the Company and its Affiliates may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Participant's participation in this Plan, and the Company and its Affiliates may each further transfer the Data to any third parties assisting the Company and its Affiliates in the implementation, administration and management of this Plan. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, subject to applicable law (including, as applicable, foreign laws), each Participant authorizes and shall authorize upon request such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in this Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or its Affiliates, or the Participant, may elect to deposit any Common Stock. The Data related to a Participant will be held only as long as is necessary to implement, administer, and manage the Participant's participation in this Plan. Subject to applicable law (including, as applicable, foreign laws), a Participant may, at any time, view the Data held by the Company or its Affiliates with respect to such Participant, request additional information about the storage and processing of the Data with respect to such Participant, recommend any necessary corrections to the Data with respect to such Participant or refuse or withdraw the consents set forth in the Award Agreement in writing, in any case without cost, by contacting his or her local human resources representative.

(aa) *Mitigation of Excise Tax*. In the event that a Participant becomes entitled to the benefit under the Plan, either alone or together with other payments or rights accruing to the Participant from the Company, Affiliates and Subsidiaries ("*Total Payments*"), if all or any part of the Total Payments will be subject to the tax imposed by Section 4999 of the Code (or any similar tax that may hereafter be imposed) (the "Excise Tax"), the Total Payments shall be reduced (but not below zero) such that the value of the Total Payments shall be one dollar ($1) less than the maximum amount of payments which you may receive without becoming subject to the tax imposed by Section 4999 of the Code; provided, however, that the foregoing limitation shall not apply in the event that it is determined that the Total Payments on an after-tax basis (i.e., after payment of federal, state, and local income taxes, penalties, interest, and Excise Tax) if such limitation is not applied would exceed the after-tax benefits to the Participant if such limitation is applied. The Participant shall bear the expense of any and all Excise Taxes due on any payments that are deemed to be "excess

parachute payments" under Section 280G of the Code. if, pursuant to the previous provisions of this Section 15(aa) the Total Payments are to be reduced, the determination of whether and how any reduction in the rights or payments under the Plan is to apply shall be made by the Committee in good faith after consultation with the Participant, and such determination shall be conclusive and binding on the Participant; provided that any parachute payments that constitute deferred compensation, within the meaning of Section 409A, shall be reduced after all other payments have been reduced, and such deferred compensation payments shall be reduced in reverse order of their scheduled payment dates. The Participant shall cooperate in good faith with the Committee in making such determination and providing the necessary information for this purpose. Notwithstanding the foregoing provisions of this Section 15(aa), in the event a Participant is a party to an employment agreement or other agreement with the Company or an Affiliate that provides for more favorable treatment for the Participant regarding Section 280G of the Code, such agreement shall be controlling.

(bb) *Plan Document Controls*. This Plan and each Award Agreement constitute the entire agreement with respect to the subject matter hereof and thereof; provided, however, that in the event of any inconsistency between the Plan and such Award Agreement, the terms and conditions of the Plan shall control.

(cc) *Employment Agreement Supersedes Award Agreement*. In the event a Participant is a party to an employment agreement with the Company and/or an Affiliate that expressly provides for vesting or extended exercisability of Awards on terms more favorable to the Participant than the Participant's Award Agreement or this Plan, such employment agreement shall be controlling, provided, however, that: (a) the employment agreement shall not be controlling; to the extent the Participant and the Company and/or an Affiliate agree it shall not be controlling; and (b) an employment agreement or modification to an employment agreement shall be deemed to modify the terms of any pre-existing Award only if the terms of the employment agreement expressly so provide.

Exhibit 10.2

JLL SEE A BRIGHTER WAY

June 27, 2023

Greg O'Brien
[redacted]

Dear Greg,

This letter documents the terms of your appointment to Executive Chairman, Americas Markets Advisory with Jones Lang LaSalle, Inc. ("JLL") effective July 1, 2023 (the "Effective Date").

Base Salary

In this role, your annualized base salary will remain at **$500,000** paid every other Friday less applicable payroll deductions. Your level will be Leadership 3.

Target Bonus

Your annual target bonus for this role is **$1,000,000**. Bonus payout levels will vary from year to year. We determine bonuses based on various factors, including (i) your performance against the specific goals you will develop with your manager, (ii) the performance of your business unit and (iii) the overall performance of the Firm. Your 2023 bonus will be based on the time in each job during the calendar year. Your GEB AIP target will be pro-rated at 50% for 2023 ($1,028,400) and your AIP target for your new role will be pro-rated at 50% for 2023 ($500,000) each subject to all other terms and conditions of eligibility.

You must be employed on the date bonuses are paid to receive a bonus payment. If you leave the Firm for any reason before the payment date, you will not receive a bonus.

Long Term Incentive

You will be eligible to participate in the Senior Leader LTIP. The award will have an annual grant date value of **$1,000,000 USD**. The exact number of awards granted will be determined using a trailing 20-day average stock prior to the date of grant. The grant will be made in the next annual award cycle following your Effective Date, provided you remain employed on the grant date, in either Performance Stock Units ('PSUs') and/or Restricted Stock Units ('RSUs'). PSUs are subject to JLL's firm-wide performance metrics as determined by the Jones Lang LaSalle Board of Directors and will vary the number of Units you receive up or down based on performance against set targets. Awards are subject to approval by the Jones Lang LaSalle Board of Directors. All terms of this award will be governed by the Amended and Restated Jones Lang LaSalle 2019 Stock Award and Incentive Plan and your grant agreement.

Severance and Change in Control Benefits

Upon your Effective Date, your Jones Lang LaSalle Incorporated Form of Change in Control Agreement for Global Executive Board dated May 7, 2021 will lapse. You will be entitled to benefits under the Jones Lang LaSalle Incorporated Severance Pay Plan as applicable to a Leadership Level 3 executive.

Representations

All conditions of employment and employment policies continue to apply including those listed below.

- Confidentiality
- Immunity for Disclosure of Confidential Information with Respect to Reporting a Suspected Violation of the Law Reports to Government Entities
- Intellectual Property
- At Will Employment
- Code of Business Ethics; Company Policies
- Non-Solicitation

By signing this letter you signify accepting the offer.

Sincerely,

Laura Adams
Global Chief Human Resource

Accepted by: _____ Date: 06/27/23

EXHIBIT 31.1

CERTIFICATION

I, Christian Ulbrich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jones Lang LaSalle Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2023

/s/ Christian Ulbrich

Christian Ulbrich
Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATION

I, Karen Brennan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Jones Lang LaSalle Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2023

/s/ Karen Brennan

Karen Brennan
Chief Financial Officer

EXHIBIT 32

Certifications of Chief Executive Officer and 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 Jones Lang LaSalle Incorporated (the "Company") on Form 10-Q for the period ending June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Christian Ulbrich, as Chief Executive Officer of the Company, and Karen Brennan, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of our knowledge, 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 result of operations of the Company.

Date: August 3, 2023

/s/ Christian Ulbrich

Christian Ulbrich
Chief Executive Officer and President

Date: August 3, 2023

/s/ Karen Brennan

Karen Brennan
Chief Financial Officer