KKR & CO. INC.

FORM 10-Q
(Quarterly Report)

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Industry	Investment Management & Fund Operators
Sector	Financials
Fiscal Year	12/31

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

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the quarterly period ended March 31, 2018

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**
For the Transition period from to .
Commission File Number 001-34820

KKR & CO. L.P.
(Exact name of Registrant as specified in its charter)

Delaware	**26-0426107**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

9 West 57 th Street, Suite 4200
New York, New York 10019
Telephone: (212) 750-8300
(Address, zip code, and telephone number, including area code, of registrant's principal executive office.)

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☐
		(Do not check if a smaller reporting 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 ☒

As of May 7, 2018 , there were 496,891,815 Common Units of the registrant outstanding.

KKR & CO. L.P.

FORM 10-Q

For the Quarter Ended March 31, 2018

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believe," "expect," "potential," "continue," "may," "should," "seek," "approximately," "predict," "intend," "will," "plan," "estimate," "anticipate," the negative version of these words, other comparable words or other statements that do not relate strictly to historical or factual matters. Without limiting the foregoing, statements regarding the declaration and payment of distributions on common or preferred units of KKR or, after converting from a limited partnership to a corporation, dividends on common or preferred stock of KKR, the timing, manner and volume of repurchases of common units or common stock pursuant to a repurchase program, and the expected synergies and benefits from acquisitions, reorganizations or strategic partnerships, may constitute forward-looking statements. Forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements or cause the anticipated benefits and synergies from transactions to not be realized. We believe these factors include those described under the section entitled "Risk Factors" in this report and in our Annual Report on Form 10-K for the year ended December 31, 2017. These factors should be read in conjunction with the other cautionary statements that are included in this report and in our other filings with the U.S. Securities and Exchange Commission (the "SEC"). We do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

In this report, references to "KKR," "we," "us," "our" and "our partnership" refer to KKR & Co. L.P. and its consolidated subsidiaries, except where the context requires otherwise. Prior to KKR & Co. L.P. becoming listed on the New York Stock Exchange ("NYSE") on July 15, 2010, KKR Group Holdings L.P. ("Group Holdings") consolidated the financial results of KKR Management Holdings L.P. and KKR Fund Holdings L.P. (together, the "KKR Group Partnerships") and their consolidated subsidiaries. On August 5, 2014, KKR International Holdings L.P. became a KKR Group Partnership. Each KKR Group Partnership has an identical number of partner interests and, when held together, one Class A partner interest in each of the KKR Group Partnerships together represents one "KKR Group Partnership Unit." In connection with KKR's issuance of 6.75% Series A Preferred Units ("Series A Preferred Units") and 6.50% Series B Preferred Units ("Series B Preferred Units"), the KKR Group Partnerships issued preferred units with economic terms designed to mirror those of the Series A Preferred Units and Series B Preferred Units, respectively.

References to our "Managing Partner" are to KKR Management LLC, which acts as our general partner and unless otherwise indicated, references to equity interests in KKR's business, or to percentage interests in KKR's business, reflect the aggregate equity interests in the KKR Group Partnerships and are net of amounts that have been allocated to our principals and other employees and non-employee operating consultants in respect of the carried interest from KKR's business as part of our "carry pool" and certain minority interests. References to "principals" are to our senior employees and non-employee operating consultants who hold interests in KKR's business through KKR Holdings L.P. ("KKR Holdings") and references to our "senior principals" are to our senior employees who hold interests in our Managing Partner entitling them to vote for the election of its directors.

References to "non-employee operating consultants" include employees of KKR Capstone, who are not employees of KKR. KKR Capstone refers to a group of entities that are owned and controlled by their senior management. KKR Capstone is not a subsidiary or affiliate of KKR. KKR Capstone operates under several consulting agreements with KKR and uses the "KKR" name under license from KKR.

Prior to October 1, 2009, KKR's business was conducted through multiple entities for which there was no single holding entity, but were under common control of senior KKR principals, and in which senior principals and KKR's other principals and individuals held ownership interests (collectively, the "Predecessor Owners"). On October 1, 2009, we completed the acquisition of all of the assets and liabilities of KKR & Co. (Guernsey) L.P. (f/k/a KKR Private Equity Investors, L.P) ("KPE") and, in connection with such acquisition, completed a series of transactions pursuant to which the business of KKR was reorganized into a holding company structure. The reorganization involved a contribution of certain equity interests in KKR's business that were held by the Predecessor Owners to the KKR Group Partnerships in exchange for equity interests in the KKR Group Partnerships held through KKR Holdings. We refer to the acquisition of the assets and liabilities of KPE and to our subsequent reorganization into a holding company structure as the "KPE Transaction."

In this report, the term "GAAP" refers to accounting principles generally accepted in the United States of America.

We disclose certain financial measures in this report that are calculated and presented using methodologies other than in accordance with GAAP. We believe that providing these performance measures on a supplemental basis to our GAAP results is helpful to unitholders in assessing the overall performance of KKR's businesses. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with GAAP, if available. We caution readers that these non-GAAP financial measures may differ from the calculations of other investment managers, and as a result, may not be comparable to similar measures presented by other investment managers. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, where applicable, are included within Note 14 "Segment Reporting" to our condensed consolidated financial statements and under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Segment Operating and Performance Measures" and "—Segment Balance Sheet."

This report uses the terms assets under management ("AUM"), fee paying assets under management ("FPAUM"), economic net income ("ENI"), fee related earnings ("FRE"), distributable earnings, capital invested, syndicated capital and book value. You should note that our calculations of these financial measures and other financial measures may differ from the calculations of other investment managers and, as a result, our financial measures may not be comparable to similar measures presented by other investment managers. These and other financial measures are defined in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations—Segment Operating and Performance Measures" and "—Segment Balance Sheet."

References to our "funds" or our "vehicles" refer to investment funds, vehicles and accounts advised, sponsored or managed by one or more subsidiaries of KKR, including collateralized loan obligations ("CLOs") and commercial real estate mortgage-backed securities ("CMBS") vehicles, unless the context requires otherwise. They do not include investment funds, vehicles or accounts of any hedge fund manager with which we have formed a strategic partnership where we have acquired a non-controlling interest.

Unless otherwise indicated, references in this report to our fully exchanged and diluted common units outstanding, or to our common units outstanding on a fully exchanged and diluted basis, reflect (i) actual common units outstanding, (ii) common units into which KKR Group Partnership Units not held by us are exchangeable pursuant to the terms of the exchange agreement described in this report, (iii) common units issuable in respect of exchangeable equity securities issued in connection with the acquisition of Avoca Capital ("Avoca"), and (iv) common units issuable pursuant to any equity awards actually granted from the KKR & Co. L.P. 2010 Equity Incentive Plan (our "Equity Incentive Plan"). Our fully exchanged and diluted common units outstanding do not include (i) common units available for issuance pursuant to our Equity Incentive Plan for which equity awards have not yet been granted and (ii) common units that we have the option to issue in connection with our acquisition of additional interests in Marshall Wace LLP (together with its affiliates, "Marshall Wace").

KKR & CO. L.P.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)
(Amounts in Thousands, Except Unit Data)

	March 31, 2018	December 31, 2017
Assets		
Cash and Cash Equivalents	$ 1,880,834	$ 1,876,687
Cash and Cash Equivalents Held at Consolidated Entities	868,114	1,802,372
Restricted Cash and Cash Equivalents	59,316	56,302
Investments	42,101,905	39,013,934
Due from Affiliates	565,681	554,349
Other Assets	2,103,303	2,531,075
Total Assets	$ 47,579,153	$ 45,834,719
Liabilities and Equity		
Debt Obligations	$ 22,041,271	$ 21,193,859
Due to Affiliates	265,190	323,810
Accounts Payable, Accrued Expenses and Other Liabilities	3,503,754	3,654,250
Total Liabilities	25,810,215	25,171,919
Commitments and Contingencies		
Redeemable Noncontrolling Interests	690,630	610,540
Equity		
Series A Preferred Units (13,800,000 units issued and outstanding as of March 31, 2018 and December 31, 2017)	332,988	332,988
Series B Preferred Units (6,200,000 units issued and outstanding as of March 31, 2018 and December 31, 2017)	149,566	149,566
KKR & Co. L.P. Capital - Common Unitholders (489,242,042 and 486,174,736 common units issued and outstanding as of March 31, 2018 and December 31, 2017, respectively)	6,918,185	6,703,382
Total KKR & Co. L.P. Partners' Capital	7,400,739	7,185,936
Noncontrolling Interests	13,677,569	12,866,324
Total Equity	21,078,308	20,052,260
Total Liabilities and Equity	$ 47,579,153	$ 45,834,719

See notes to condensed consolidated financial statements.

KKR & CO. L.P.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Continued) (UNAUDITED)
(Amounts in Thousands)

The following presents the portion of the consolidated balances presented in the condensed consolidated statements of financial condition attributable to consolidated variable interest entities ("VIEs") as of March 31, 2018 and December 31, 2017 . KKR's consolidated VIEs consist primarily of certain collateralized financing entities ("CFEs") holding collateralized loan obligations ("CLOs") and commercial real estate mortgage-backed securities ("CMBS") and certain investment funds. With respect to consolidated VIEs, the following assets may only be used to settle obligations of these consolidated VIEs and the following liabilities are only the obligations of these consolidated VIEs. The noteholders, limited partners and other creditors of these VIEs have no recourse to KKR's general assets. Additionally, KKR has no right to the benefits from, nor does KKR bear the risks associated with, the assets held by these VIEs beyond KKR's beneficial interest therein and any income generated from the VIEs. There are neither explicit arrangements nor does KKR hold implicit variable interests that would require KKR to provide any material ongoing financial support to the consolidated VIEs, beyond amounts previously committed, if any.

	March 31, 2018		
	Consolidated CFEs	Consolidated KKR Funds and Other Entities	Total
Assets			
Cash and Cash Equivalents Held at Consolidated Entities	$ 594,873	$ 250,516	$ 845,389
Restricted Cash and Cash Equivalents	—	27,309	27,309
Investments	16,063,337	11,550,688	27,614,025
Due from Affiliates	—	5,919	5,919
Other Assets	185,800	223,436	409,236
Total Assets	$ 16,844,010	$ 12,057,868	$ 28,901,878
Liabilities			
Debt Obligations	$ 15,251,646	$ 984,199	$ 16,235,845
Accounts Payable, Accrued Expenses and Other Liabilities	875,365	388,732	1,264,097
Total Liabilities	$ 16,127,011	$ 1,372,931	$ 17,499,942

	December 31, 2017		
	Consolidated CFEs	Consolidated KKR Funds and Other Entities	Total
Assets			
Cash and Cash Equivalents Held at Consolidated Entities	$ 1,467,829	$ 231,423	$ 1,699,252
Restricted Cash and Cash Equivalents	—	21,255	21,255
Investments	15,573,203	9,408,967	24,982,170
Due from Affiliates	—	23,562	23,562
Other Assets	176,572	168,003	344,575
Total Assets	$ 17,217,604	$ 9,853,210	$ 27,070,814
Liabilities			
Debt Obligations	$ 15,586,216	$ 770,350	$ 16,356,566
Accounts Payable, Accrued Expenses and Other Liabilities	923,494	243,660	1,167,154
Total Liabilities	$ 16,509,710	$ 1,014,010	$ 17,523,720

See notes to condensed consolidated financial statements.

KKR & CO. L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in Thousands, Except Unit Data)

	Three Months Ended March 31,	
	2018	**2017**
Revenues		
Fees and Other	$ 394,394	$ 380,179
Capital Allocation-Based Income	78,212	387,576
Total Revenues	472,606	767,755
Expenses		
Compensation and Benefits	298,136	402,963
Occupancy and Related Charges	14,215	14,851
General, Administrative and Other	124,250	122,200
Total Expenses	436,601	540,014
Investment Income (Loss)		
Net Gains (Losses) from Investment Activities	472,800	506,645
Dividend Income	33,064	9,924
Interest Income	298,256	280,980
Interest Expense	(219,590)	(186,854)
Total Investment Income (Loss)	584,530	610,695
Income (Loss) Before Taxes	620,535	838,436
Income Taxes	17,641	40,542
Net Income (Loss)	602,894	797,894
Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	25,674	20,933
Net Income (Loss) Attributable to Noncontrolling Interests	398,777	509,277
Net Income (Loss) Attributable to KKR & Co. L.P.	178,443	267,684
Net Income Attributable to Series A Preferred Unitholders	5,822	5,822
Net Income Attributable to Series B Preferred Unitholders	2,519	2,519
Net Income (Loss) Attributable to KKR & Co. L.P. Common Unitholders	$ 170,102	$ 259,343
Net Income (Loss) Attributable to KKR & Co. L.P. Per Common Unit		
Basic	$ 0.36	$ 0.57
Diluted	$ 0.32	$ 0.52
Weighted Average Common Units Outstanding		
Basic	487,704,838	453,695,846
Diluted	535,918,274	496,684,340

See notes to condensed consolidated financial statements.

KKR & CO. L.P.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(Amounts in Thousands)

	Three Months Ended March 31,	
	2018	**2017**
Net Income (Loss)	$ 602,894	$ 797,894
Other Comprehensive Income (Loss), Net of Tax:		
Foreign Currency Translation Adjustments	3,624	16,576
Comprehensive Income (Loss)	606,518	814,470
Less: Comprehensive Income (Loss) Attributable to Redeemable Noncontrolling Interests	25,674	20,933
Less: Comprehensive Income (Loss) Attributable to Noncontrolling Interests	398,050	520,109
Comprehensive Income (Loss) Attributable to KKR & Co. L.P.	$ 182,794	$ 273,428

See notes to condensed consolidated financial statements.

KKR & CO. L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
(Amounts in Thousands, Except Unit Data)

	KKR & Co. L.P.								
	Common Units	Capital - Common Unitholders	Accumulated Other Comprehensive Income (Loss)	Total Capital - Common Units	Capital - Series A Preferred Units	Capital - Series B Preferred Units	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at January 1, 2017	452,380,335	$ 5,506,375	$ (49,096)	$ 5,457,279	$ 332,988	$ 149,566	$ 10,545,902	$ 16,485,735	$ 632,348
Net Income (Loss)		259,343		259,343	5,822	2,519	509,277	776,961	20,933
Other Comprehensive Income (Loss)- Foreign Currency Translation (Net of Tax)			5,744	5,744			10,832	16,576	
Changes in Consolidation				—			(71,657)	(71,657)	
Transfer of interests under common control (See Note 15 "Equity")		12,269	(1,988)	10,281			(10,281)	—	
Exchange of KKR Holdings L.P. Units and Other Securities to KKR & Co. L.P. Common Units	3,190,630	43,564	(388)	43,176			(43,176)	—	
Tax Effects Resulting from Exchange of KKR Holdings L.P. Units		1,802	167	1,969				1,969	
Equity-Based and Other Non-Cash Compensation		49,943		49,943			61,093	111,036	
Capital Contributions				—			528,833	528,833	128,499
Capital Distributions		(72,381)		(72,381)	(5,822)	(2,519)	(262,361)	(343,083)	(352)
Balance at March 31, 2017	455,570,965	$ 5,800,915	$ (45,561)	$ 5,755,354	$ 332,988	$ 149,566	$ 11,268,462	$ 17,506,370	$ 781,428

	KKR & Co. L.P.								
	Common Units	Capital - Common Unitholders	Accumulated Other Comprehensive Income (Loss)	Total Capital - Common Units	Capital - Series A Preferred Units	Capital - Series B Preferred Units	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
Balance at January 1, 2018	486,174,736	$ 6,722,863	$ (19,481)	$ 6,703,382	$ 332,988	$ 149,566	$ 12,866,324	$ 20,052,260	$ 610,540
Net Income (Loss)		170,102		170,102	5,822	2,519	398,777	577,220	25,674
Other Comprehensive Income (Loss)- Foreign Currency Translation (Net of Tax)			4,351	4,351			(727)	3,624	
Exchange of KKR Holdings L.P. Units and Other Securities to KKR & Co. L.P. Common Units	3,067,306	51,221	(132)	51,089			(51,089)	—	
Tax Effects Resulting from Exchange of KKR Holdings L.P. Units and Other		4,205	17	4,222				4,222	
Equity-Based and Other Non-Cash Compensation		67,796		67,796			32,695	100,491	
Capital Contributions				—			1,270,723	1,270,723	56,950
Capital Distributions		(82,757)		(82,757)	(5,822)	(2,519)	(839,134)	(930,232)	(2,534)
Balance at March 31, 2018	489,242,042	$ 6,933,430	$ (15,245)	$ 6,918,185	$ 332,988	$ 149,566	$ 13,677,569	$ 21,078,308	$ 690,630

See notes to condensed consolidated financial statements.

KKR & CO. L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Amounts in Thousands)

	Three Months Ended March 31,	
	2018	**2017**
Operating Activities		
Net Income (Loss)	$ 602,894	$ 797,894
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Equity-Based and Other Non-Cash Compensation	96,227	111,036
Net Realized (Gains) Losses on Investments	(30,380)	(146,164)
Change in Unrealized (Gains) Losses on Investments	(442,420)	(360,481)
Capital Allocation-Based Income	(78,212)	(387,576)
Other Non-Cash Amounts	74,156	37,860
Cash Flows Due to Changes in Operating Assets and Liabilities:		
Change in Consolidation and Other	—	(1,254)
Change in Due from / to Affiliates	(71,686)	(48,964)
Change in Other Assets	420,004	539,623
Change in Accounts Payable, Accrued Expenses and Other Liabilities	(41,480)	310,776
Investments Purchased	(9,515,686)	(8,345,252)
Proceeds from Investments	6,829,083	6,341,592
Net Cash Provided (Used) by Operating Activities	(2,157,500)	(1,150,910)
Investing Activities		
Purchase of Fixed Assets	(8,670)	(21,384)
Development of Oil and Natural Gas Properties	—	(177)
Net Cash Provided (Used) by Investing Activities	(8,670)	(21,561)
Financing Activities		
Distributions to Partners	(82,757)	(72,381)
Distributions to Redeemable Noncontrolling Interests	(2,534)	(352)
Contributions from Redeemable Noncontrolling Interests	56,950	128,499
Distributions to Noncontrolling Interests	(839,134)	(262,361)
Contributions from Noncontrolling Interests	1,263,774	520,269
Preferred Unit Distributions	(8,341)	(8,341)
Proceeds from Debt Obligations	3,588,463	2,160,958
Repayment of Debt Obligations	(2,750,750)	(1,154,415)
Financing Costs Paid	(7,500)	(5,790)
Net Cash Provided (Used) by Financing Activities	1,218,171	1,306,086
Effect of exchange rate changes on cash, cash equivalents and restricted cash	20,902	7,680
Net Increase/(Decrease) in Cash, Cash Equivalents and Restricted Cash	(927,097)	141,295
Cash, Cash Equivalents and Restricted Cash, Beginning of Period	3,735,361	4,345,815
Cash, Cash Equivalents and Restricted Cash, End of Period	$ 2,808,264	$ 4,487,110

See notes to condensed consolidated financial statements.

KKR & CO. L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (Continued)
(Amounts in Thousands)

	Three Months Ended March 31,	
	2018	**2017**
Supplemental Disclosures of Cash Flow Information		
Payments for Interest	$ 207,703	$ 197,242
Payments for Income Taxes	$ 19,295	$ 9,687
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Equity-Based and Other Non-Cash Contributions	$ 100,491	$ 111,036
Non-Cash Contributions from Noncontrolling Interests	$ 6,949	$ 8,564
Debt Obligations - Net Gains (Losses), Translation and Other	$ (11,724)	$ (78,860)
Tax Effects Resulting from Exchange of KKR Holdings L.P. Units and delivery of KKR & Co. L.P. Common Units	$ 4,222	$ 1,969
Change in Consolidation and Other		
Investments	$ —	$ (70,403)
Noncontrolling Interests	$ —	$ (71,657)

	March 31, 2018	**December 31, 2017**
Reconciliation to the Condensed Consolidated Statements of Financial Condition		
Cash and Cash Equivalents	$ 1,880,834	$ 1,876,687
Cash and Cash Equivalents Held at Consolidated Entities	868,114	1,802,372
Restricted Cash and Cash Equivalents	59,316	56,302
Cash, Cash Equivalents and Restricted Cash, End of Period	$ 2,808,264	$ 3,735,361

See notes to condensed consolidated financial statements.

KKR & CO. L.P.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(All Amounts in Thousands, Except Unit, Per Unit Data, and Except Where Noted)

1. ORGANIZATION

KKR & Co. L.P. (NYSE: KKR), together with its consolidated subsidiaries ("KKR"), is a leading global investment firm that manages multiple alternative asset classes including private equity, energy, infrastructure, real estate and credit, with strategic manager partnerships that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR's portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business.

KKR & Co. L.P. was formed as a Delaware limited partnership on June 25, 2007 and its general partner is KKR Management LLC (the "Managing Partner"). KKR & Co. L.P. is the parent company of KKR Group Limited, which is the non-economic general partner of KKR Group Holdings L.P. ("Group Holdings"), and KKR & Co. L.P. is the sole limited partner of Group Holdings. Group Holdings holds a controlling economic interest in each of (i) KKR Management Holdings L.P. ("Management Holdings") through KKR Management Holdings Corp., a Delaware corporation which is a domestic corporation for U.S. federal income tax purposes, (ii) KKR Fund Holdings L.P. ("Fund Holdings") directly and through KKR Fund Holdings GP Limited, a Cayman Island limited company which is a disregarded entity for U.S. federal income tax purposes, and (iii) KKR International Holdings L.P. ("International Holdings", and together with Management Holdings and Fund Holdings, the "KKR Group Partnerships") directly and through KKR Fund Holdings GP Limited. Group Holdings also owns certain economic interests in Management Holdings through a wholly owned Delaware corporate subsidiary of KKR Management Holdings Corp. and certain economic interests in Fund Holdings through a Delaware partnership of which Group Holdings is the general partner with a 99% economic interest and KKR Management Holdings Corp. is a limited partner with a 1% economic interest. KKR & Co. L.P., through its indirect controlling economic interests in the KKR Group Partnerships, is the holding partnership for the KKR business.

KKR & Co. L.P. both indirectly controls the KKR Group Partnerships and indirectly holds Class A partner units in each KKR Group Partnership (collectively, "KKR Group Partnership Units") representing economic interests in KKR's business. The remaining KKR Group Partnership Units are held by KKR Holdings L.P. ("KKR Holdings"), which is not a subsidiary of KKR. As of March 31, 2018 , KKR & Co. L.P. held approximately 59.5% of the KKR Group Partnership Units and principals through KKR Holdings held approximately 40.5% of the KKR Group Partnership Units. The percentage ownership in the KKR Group Partnerships will continue to change as KKR Holdings and/or principals exchange units in the KKR Group Partnerships for KKR & Co. L.P. common units or when KKR & Co. L.P. otherwise issues or repurchases KKR & Co. L.P. common units. The KKR Group Partnerships also have outstanding equity interests that provide for the carry pool and preferred units with economic terms that mirror the preferred units issued by KKR & Co. L.P.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of KKR & Co. L.P. have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and the instructions to Form 10-Q. The condensed consolidated financial statements (referred to hereafter as the “financial statements”), including these notes, are unaudited and exclude some of the disclosures required in annual financial statements. Management believes it has made all necessary adjustments (consisting of only normal recurring items) such that the financial statements are presented fairly and that estimates made in preparing the financial statements are reasonable and prudent. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. The December 31, 2017 condensed consolidated balance sheet data was derived from audited consolidated financial statements included in KKR & Co. L.P.’s Annual Report on Form 10-K for the year ended December 31, 2017 , which include all disclosures required by GAAP. These financial statements should be read in conjunction with the audited consolidated financial statements included in KKR & Co. L.P.’s Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission (“SEC”).

KKR & Co. L.P. consolidates the financial results of the KKR Group Partnerships and their consolidated subsidiaries, which include the accounts of KKR's investment management and capital markets companies, the general partners of certain unconsolidated investment funds, general partners of consolidated investment funds and their respective consolidated

investment funds and certain other entities including CFEs. References in the accompanying financial statements to "principals" are to KKR's senior employees and non-employee operating consultants who hold interests in KKR's business through KKR Holdings.

All intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and investment income (loss) during the reporting periods. Such estimates include but are not limited to the valuation of investments and financial instruments. Actual results could differ from those estimates, and such differences could be material to the financial statements.

Principles of Consolidation

The types of entities KKR assesses for consolidation include (i) subsidiaries, including management companies, broker-dealers and general partners of investment funds that KKR manages, (ii) entities that have all the attributes of an investment company, like investment funds, (iii) CFEs and (iv) other entities, including entities that employ non-employee operating consultants. Each of these entities is assessed for consolidation on a case by case basis depending on the specific facts and circumstances surrounding that entity.

Pursuant to its consolidation policy, KKR first considers whether an entity is considered a VIE and therefore whether to apply the consolidation guidance under the VIE model. Entities that do not qualify as VIEs are assessed for consolidation as voting interest entities ("VOEs") under the voting interest model.

KKR's funds are, for GAAP purposes, investment companies and therefore are not required to consolidate their investments in portfolio companies even if majority-owned and controlled. Rather, the consolidated funds and vehicles reflect their investments at fair value as described below in "Fair Value Measurements."

An entity in which KKR holds a variable interest is a VIE if any one of the following conditions exist: (a) the total equity investment at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, (b) the holders of the equity investment at risk (as a group) lack either the direct or indirect ability through voting rights or similar rights to make decisions about a legal entity's activities that have a significant effect on the success of the legal entity or the obligation to absorb the expected losses or right to receive the expected residual returns, or (c) the voting rights of some investors are disproportionate to their obligation to absorb the expected losses of the legal entity, their rights to receive the expected residual returns of the legal entity, or both and substantially all of the legal entity's activities either involve or are conducted on behalf of an investor with disproportionately few voting rights. Limited partnerships and other similar entities where unaffiliated limited partners have not been granted (i) substantive participatory rights or (ii) substantive rights to either dissolve the partnership or remove the general partner ("kick-out rights") are VIEs under condition (b) above. KKR's investment funds that are not CFEs (i) are generally limited partnerships, (ii) generally provide KKR with operational discretion and control, and (iii) generally have fund investors with no substantive rights to impact ongoing governance and operating activities of the fund, including the ability to remove the general partner, and as such the limited partners do not hold kick-out rights. Accordingly, most of KKR's investment funds are categorized as VIEs.

KKR consolidates all VIEs in which it is the primary beneficiary. A reporting entity is determined to be the primary beneficiary if it holds a controlling financial interest in a VIE. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The consolidation guidance requires an analysis to determine (i) whether an entity in which KKR holds a variable interest is a VIE and (ii) whether KKR's involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (for example, management and performance related fees), would give it a controlling financial interest. Performance of that analysis requires the exercise of judgment. Fees earned by KKR that are customary and commensurate with the level of effort required to provide those services, and where KKR does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, would not be considered variable interests. KKR factors in all economic interests including interests held through related parties, to determine if it holds a variable interest. KKR determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion periodically.

For entities that are determined not to be VIEs, these entities are generally considered VOEs and are evaluated under the voting interest model. KKR consolidates VOEs it controls through a majority voting interest or through other means.

The consolidation assessment, including the determination as to whether an entity qualifies as a VIE or VOE depends on the facts and circumstances surrounding each entity and therefore certain of KKR's investment funds may qualify as VIEs whereas others may qualify as VOEs.

With respect to CLOs (which are generally VIEs), in its role as collateral manager, KKR generally has the power to direct the activities of the CLO that most significantly impact the economic performance of the entity. In some, but not all cases, KKR, through its residual interest in the CLO may have variable interests that represent an obligation to absorb losses of, or a right to receive benefits from, the CLO that could potentially be significant to the CLO. In cases where KKR has both the power to direct the activities of the CLO that most significantly impact the CLO's economic performance and the obligation to absorb losses of the CLO or the right to receive benefits from the CLO that could potentially be significant to the CLO, KKR is deemed to be the primary beneficiary and consolidates the CLO.

With respect to CMBS vehicles (which are generally VIEs), KKR holds unrated and non-investment grade rated securities issued by the CMBS, which are the most subordinate tranche of the CMBS vehicle. The economic performance of the CMBS is most significantly impacted by the performance of the underlying assets. Thus, the activities that most significantly impact the CMBS economic performance are the activities that most significantly impact the performance of the underlying assets. The special servicer has the ability to manage the CMBS assets that are delinquent or in default to improve the economic performance of the CMBS. KKR generally has the right to unilaterally appoint and remove the special servicer for the CMBS and as such is considered the controlling class of the CMBS vehicle. These rights give KKR the ability to direct the activities that most significantly impact the economic performance of the CMBS. Additionally, as the holder of the most subordinate tranche, KKR is in a first loss position and has the right to receive benefits, including the actual residual returns of the CMBS, if any. In these cases, KKR is deemed to be the primary beneficiary and consolidates the CMBS vehicle.

Redeemable Noncontrolling Interests

Redeemable Noncontrolling Interests represent noncontrolling interests of certain investment funds and vehicles that are subject to periodic redemption by fund investors following the expiration of a specified period of time (typically one year), or may be withdrawn subject to a redemption fee during the period when capital may not be otherwise withdrawn. Fund investors interests subject to redemption as described above are presented as Redeemable Noncontrolling Interests in the accompanying condensed consolidated statements of financial condition and presented as Net Income (Loss) Attributable to Redeemable Noncontrolling Interests in the accompanying condensed consolidated statements of operations.

When redeemable amounts become legally payable to fund investors, they are classified as a liability and included in Accounts Payable, Accrued Expenses and Other Liabilities in the accompanying condensed consolidated statements of financial condition. For all consolidated investment vehicles and funds in which redemption rights have not been granted, noncontrolling interests are presented within Equity in the accompanying condensed consolidated statements of financial condition as noncontrolling interests.

Noncontrolling Interests

Noncontrolling interests represent (i) noncontrolling interests in consolidated entities and (ii) noncontrolling interests held by KKR Holdings.

Noncontrolling Interests in Consolidated Entities

Noncontrolling interests in consolidated entities represent the non-redeemable ownership interests in KKR that are held primarily by:

(i) third party fund investors in KKR's funds;

(ii) third parties entitled to up to 1% of the carried interest received by certain general partners of KKR's funds that have made investments on or prior to December 31, 2015;

(iii) certain former principals and their designees representing a portion of the carried interest received by the general partners of KKR's private equity funds that was allocated to them with respect to private equity investments made during such former principals' tenure with KKR prior to October 1, 2009;

(iv) certain principals and former principals representing all of the capital invested by or on behalf of the general partners of KKR's private equity funds prior to October 1, 2009 and any returns thereon;

(v) third parties in KKR's capital markets business; and

(vi) holders of exchangeable equity securities representing ownership interests in a subsidiary of a KKR Group Partnership issued in connection with the acquisition of Avoca Capital ("Avoca").

On January 16, 2018, KKR Financial Holdings LLC ("KFN") completed the redemption of all of its outstanding 7.375% Series A LLC Preferred Shares.

Noncontrolling Interests held by KKR Holdings

Noncontrolling interests held by KKR Holdings include economic interests held by principals in the KKR Group Partnerships. Such principals receive financial benefits from KKR's business in the form of distributions received from KKR Holdings and through their direct and indirect participation in the value of KKR Group Partnership Units held by KKR Holdings. These financial benefits are not paid by KKR & Co. L.P. and are borne by KKR Holdings.

The following table presents the calculation of noncontrolling interests held by KKR Holdings:

	Three Months Ended March 31,	
	2018	**2017**
Balance at the beginning of the period	$ 4,793,475	$ 4,293,337
Net income (loss) attributable to noncontrolling interests held by KKR Holdings [1]	121,002	216,432
Other comprehensive income (loss), net of tax [2]	3,143	4,920
Impact of the exchange of KKR Holdings units to KKR & Co. L.P. common units [3]	(33,775)	(35,904)
Equity-based and other non-cash compensation	32,695	61,093
Capital contributions	39	37
Capital distributions	(57,167)	(56,637)
Transfer of interests under common control and Other (See Note 15 "Equity")	—	7,919
Balance at the end of the period	**$ 4,859,412**	**$ 4,491,197**

(1) Refer to the table below for calculation of net income (loss) attributable to noncontrolling interests held by KKR Holdings.

(2) Calculated on a pro rata basis based on the weighted average KKR Group Partnership Units held by KKR Holdings during the reporting period.

(3) Calculated based on the proportion of KKR Holdings units exchanged for KKR & Co. L.P. common units pursuant to the exchange agreement during the reporting period. The exchange agreement provides for the exchange of KKR Group Partnership Units held by KKR Holdings for KKR & Co. L.P. common units.

Net income (loss) attributable to KKR & Co. L.P. Common Unitholders and KKR Holdings, with the exception of certain tax assets and liabilities that are directly allocable to KKR Management Holdings Corp., is attributed based on the percentage of the weighted average KKR Group Partnership Units held by KKR and KKR Holdings, each of which holds equity of the KKR Group Partnerships. However, primarily because of the (i) contribution of certain expenses borne entirely by KKR Holdings, (ii) the periodic exchange of KKR Holdings units for KKR & Co. L.P. common units pursuant to the exchange agreement and (iii) the contribution of certain expenses borne entirely by KKR associated with the KKR & Co. L.P. 2010 Equity Incentive Plan ("Equity Incentive Plan"), equity allocations shown in the condensed consolidated statement of changes in equity differ from their respective pro rata ownership interests in KKR's net assets.

The following table presents net income (loss) attributable to noncontrolling interests held by KKR Holdings:

	Three Months Ended March 31,	
	2018	2017
Net income (loss)	$ 602,894	$ 797,894
Less: Net income (loss) attributable to Redeemable Noncontrolling Interests	25,674	20,933
Less: Net income (loss) attributable to Noncontrolling Interests in consolidated entities	277,775	292,845
Less: Net income (loss) attributable to Series A and Series B Preferred Unitholders	8,341	8,341
Plus: Income tax / (benefit) attributable to KKR Management Holdings Corp.	6,068	19,160
Net income (loss) attributable to KKR & Co. L.P. Common Unitholders and KKR Holdings	**$ 297,172**	**$ 494,935**
Net income (loss) attributable to Noncontrolling Interests held by KKR Holdings	**$ 121,002**	**$ 216,432**

Investments

Investments consist primarily of private equity, real assets, credit, investments of consolidated CFEs, equity method, carried interest and other investments. Investments denominated in currencies other than the entity's functional currency are valued based on the spot rate of the respective currency at the end of the reporting period with changes related to exchange rate movements reflected as a component of Net Gains (Losses) from Investment Activities in the condensed consolidated statements of operations. Security and loan transactions are recorded on a trade date basis. Further disclosure on investments is presented in Note 4 "Investments."

The following describes the types of securities held within each investment class.

Private Equity - Consists primarily of equity investments in operating businesses, including growth equity investments.

Credit - Consists primarily of investments in below investment grade corporate debt securities (primarily high yield bonds and syndicated bank loans), distressed and opportunistic debt and interests in unconsolidated CLOs.

Investments of Consolidated CFEs - Consists primarily of (i) investments in below investment grade corporate debt securities (primarily high yield bonds and syndicated bank loans) held directly by the consolidated CLOs and (ii) investments in originated, fixed-rate mortgage loans held directly by the consolidated CMBS vehicles.

Real Assets - Consists primarily of investments in (i) energy related assets, principally oil and natural gas producing properties, (ii) infrastructure assets, and (iii) real estate, principally residential and commercial real estate assets and businesses.

Equity Method - Other - Consists primarily of (i) certain direct interests in operating companies in which KKR is deemed to exert significant influence under GAAP and (ii) certain interests in partnerships and joint ventures that hold private equity and real estate investments.

Equity Method - Capital Allocation - Based Income - Consists primarily of (i) the capital interest KKR holds as the general partner in certain investment funds, which are not consolidated and (ii) the carried interest component of the general partner interest, which are accounted for as a single unit of account.

Other - Consists primarily of investments in common stock, preferred stock, warrants and options of companies that are not private equity, real assets, credit or investments of consolidated CFEs.

Investments held by Consolidated Investment Funds

The consolidated investment funds are, for GAAP purposes, investment companies and reflect their investments and other financial instruments, including portfolio companies that are majority-owned and controlled by KKR's investment funds, at fair value. KKR has retained this specialized accounting for the consolidated funds in consolidation. Accordingly, the unrealized gains and losses resulting from changes in fair value of the investments and other financial instruments held by the consolidated investment funds are reflected as a component of Net Gains (Losses) from Investment Activities in the condensed consolidated statements of operations.

Certain energy investments are made through consolidated investment funds, including investments in working and royalty interests in oil and natural gas producing properties as well as investments in operating companies that operate in the energy industry. Since these investments are held through consolidated investment funds, such investments are reflected at fair value as of the end of the reporting period.

Investments in operating companies that are held through KKR's consolidated investment funds are generally classified within private equity investments and investments in working and royalty interests in oil and natural gas producing properties are generally classified as real asset investments.

Energy Investments held directly by KKR

Certain energy investments are made by KKR directly in working and royalty interests in oil and natural gas producing properties and not through investment funds. Oil and natural gas producing activities are accounted for under the successful efforts method of accounting and such working interests are consolidated based on the proportion of the working interests held by KKR. Accordingly, KKR reflects its proportionate share of the underlying statements of financial condition and statements of operations of the consolidated working interests on a gross basis and changes in the value of these working interests are not reflected as unrealized gains and losses in the condensed consolidated statements of operations. Under the successful efforts method, exploration costs, other than the costs of drilling exploratory wells, are charged to expense as incurred. Costs that are associated with the drilling of successful exploration wells are capitalized if proved reserves are found. Lease acquisition costs are capitalized when incurred. Costs associated with the drilling of exploratory wells that do not find proved reserves, geological and geophysical costs and costs of certain nonproducing leasehold costs are charged to expense as incurred.

Expenditures for repairs and maintenance, including workovers, are charged to expense as incurred.

The capitalized costs of producing oil and natural gas properties are depleted on a field-by-field basis using the units-of production method based on the ratio of current production to estimated total net proved oil, natural gas and natural gas liquid reserves. Proved developed reserves are used in computing depletion rates for drilling and development costs and total proved reserves are used for depletion rates of leasehold costs.

Estimated dismantlement and abandonment costs for oil and natural gas properties, net of salvage value, are capitalized at their estimated net present value and amortized on a unit-of-production basis over the remaining life of the related proved developed reserves.

Whenever events or changes in circumstances indicate that the carrying amounts of oil and natural gas properties may not be recoverable, KKR evaluates oil and natural gas properties and related equipment and facilities for impairment on a field-by-field basis. The determination of recoverability is made based upon estimated undiscounted future net cash flows. The amount of impairment loss, if any, is determined by comparing the fair value, as determined by a discounted cash flow analysis, with the carrying value of the related asset. Any impairment in value is recognized when incurred and is recorded in General, Administrative, and Other expense in the condensed consolidated statements of operations.

Fair Value Option

For certain investments and other financial instruments, KKR has elected the fair value option. Such election is irrevocable and is applied on a financial instrument by financial instrument basis at initial recognition. KKR has elected the fair value option for certain private equity, real assets, credit, investments of consolidated CFEs, equity method - other and other financial instruments not held through a consolidated investment fund. Accounting for these investments at fair value is consistent with how KKR accounts for its investments held through consolidated investment funds. Changes in the fair value of such instruments are recognized in Net Gains (Losses) from Investment Activities in the condensed consolidated statements of operations. Interest income on interest bearing credit securities on which the fair value option has been elected is based on stated coupon rates adjusted for the accretion of purchase discounts and the amortization of purchase premiums. This interest income is recorded within Interest Income in the condensed consolidated statements of operations.

Equity Method

For certain investments in entities over which KKR exercises significant influence but which do not meet the requirements for consolidation and for which KKR has not elected the fair value option, KKR uses the equity method of accounting. The carrying value of equity method investments for which KKR has not elected the fair value option, is determined based on the amounts invested by KKR, adjusted for the equity in earnings or losses of the investee allocated based on KKR's respective ownership percentage, less distributions.

For equity method investments for which KKR has not elected the fair value option, KKR records its proportionate share of the investee's earnings or losses based on the most recently available financial information of the investee, which in certain cases may lag the date of KKR's financial statements by no more than three calendar months. As of March 31, 2018, equity method investees for which KKR reports financial results on a lag include Marshall Wace LLP ("Marshall Wace"). KKR evaluates its equity method investments for which KKR has not elected the fair value option for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable.

The carrying value of Equity Method - Capital Allocation - Based Income investments approximate fair value, because the underlying investments of the unconsolidated investment funds are reported at fair value.

Financial Instruments held by Consolidated CFEs

KKR measures both the financial assets and financial liabilities of the consolidated CFEs in its financial statements using the more observable of the fair value of the financial assets and the fair value of the financial liabilities which results in KKR's consolidated net income (loss) reflecting KKR's own economic interests in the consolidated CFEs including (i) changes in the fair value of the beneficial interests retained by KKR and (ii) beneficial interests that represent compensation for services rendered.

For the consolidated CLOs, KKR has determined that the fair value of the financial assets of the consolidated CLOs is more observable than the fair value of the financial liabilities of the consolidated CLOs. As a result, the financial assets of the consolidated CLOs are being measured at fair value and the financial liabilities are being measured in consolidation as: (1) the sum of the fair value of the financial assets and the carrying value of any nonfinancial assets that are incidental to the operations of the CLOs less (2) the sum of the fair value of any beneficial interests retained by KKR (other than those that represent compensation for services) and KKR's carrying value of any beneficial interests that represent compensation for services. The resulting amount is allocated to the individual financial liabilities (other than the beneficial interests retained by KKR).

For the consolidated CMBS vehicles, KKR has determined that the fair value of the financial liabilities of the consolidated CMBS vehicles is more observable than the fair value of the financial assets of the consolidated CMBS vehicles. As a result, the financial liabilities of the consolidated CMBS vehicles are being measured at fair value and the financial assets are being measured in consolidation as: (1) the sum of the fair value of the financial liabilities (other than the beneficial interests retained by KKR), the fair value of the beneficial interests retained by KKR and the carrying value of any nonfinancial liabilities that are incidental to the operations of the CMBS vehicles less (2) the carrying value of any nonfinancial assets that are incidental to the operations of the CMBS vehicles. The resulting amount is allocated to the individual financial assets.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Except for certain of KKR's equity method investments (see "Equity Method" above in this Note 2 "Summary of Significant Accounting Policies") and debt obligations (as described in Note 10 "Debt Obligations"), KKR's investments and other financial instruments are recorded at fair value or at amounts whose carrying values approximate fair value. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation techniques are applied. These valuation techniques involve varying levels of management estimation and judgment, the degree of which is dependent on a variety of factors.

GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments and financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

Level I - Pricing inputs are unadjusted, quoted prices in active markets for identical assets or liabilities as of the measurement date. The types of financial instruments included in this category are publicly-listed equities and securities sold short.

Level II - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies. The types of financial instruments included in this category are credit investments, investments and debt obligations of consolidated CLO entities, convertible debt securities indexed to publicly-listed securities, less liquid and restricted equity securities and certain over-the-counter derivatives such as foreign currency option and forward contracts.

Level III - Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation. The types of financial instruments generally included in this category are private portfolio companies, real assets investments, credit investments, equity method investments for which the fair value option was elected and investments and debt obligations of consolidated CMBS entities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. KKR's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the asset.

A significant decrease in the volume and level of activity for the asset or liability is an indication that transactions or quoted prices may not be representative of fair value because in such market conditions there may be increased instances of transactions that are not orderly. In those circumstances, further analysis of transactions or quoted prices is needed, and a significant adjustment to the transactions or quoted prices may be necessary to estimate fair value.

The availability of observable inputs can vary depending on the financial asset or liability and is affected by a wide variety of factors, including, for example, the type of instrument, whether the instrument has recently been issued, whether the instrument is traded on an active exchange or in the secondary market, and current market conditions. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by KKR in determining fair value is greatest for instruments categorized in Level III. The variability and availability of the observable inputs affected by the factors described above may cause transfers between Levels I, II, and III, which KKR recognizes at the beginning of the reporting period.

Investments and other financial instruments that have readily observable market prices (such as those traded on a securities exchange) are stated at the last quoted sales price as of the reporting date. KKR does not adjust the quoted price for these investments, even in situations where KKR holds a large position and a sale could reasonably affect the quoted price.

Management's determination of fair value is based upon the methodologies and processes described below and may incorporate assumptions that are management's best estimates after consideration of a variety of internal and external factors.

Level II Valuation Methodologies

Credit Investments: These instruments generally have bid and ask prices that can be observed in the marketplace. Bid prices reflect the highest price that KKR and others are willing to pay for an instrument. Ask prices represent the lowest price that KKR and others are willing to accept for an instrument. For financial assets and liabilities whose inputs are based on bid-ask prices obtained from third party pricing services, fair value may not always be a predetermined point in the bid-ask range. KKR's policy is generally to allow for mid-market pricing and adjusting to the point within the bid-ask range that meets KKR's best estimate of fair value.

Investments and Debt Obligations of Consolidated CLO Vehicles: Investments of consolidated CLO vehicles are reported within Investments of Consolidated CFEs and are valued using the same valuation methodology as described above for credit investments. Under ASU 2014-13, KKR measures CLO debt obligations on the basis of the fair value of the financial assets of the CLO.

Securities indexed to publicly-listed securities: The securities are typically valued using standard convertible security pricing models. The key inputs into these models that require some amount of judgment are the credit spreads utilized and the volatility assumed. To the extent the company being valued has other outstanding debt securities that are publicly-traded, the implied credit spread on the company's other outstanding debt securities would be utilized in the valuation. To the extent the company being valued does not have other outstanding debt securities that are publicly-traded, the credit spread will be estimated based on the implied credit spreads observed in comparable publicly-traded debt securities. In certain cases, an additional spread will be added to reflect an illiquidity discount due to the fact that the security being valued is not publicly-traded. The volatility assumption is based upon the historically observed volatility of the underlying equity security into which the convertible debt security is convertible and/or the volatility implied by the prices of options on the underlying equity security.

Restricted Equity Securities: The valuation of certain equity securities is based on an observable price for an identical security adjusted for the effect of a restriction.

Derivatives: The valuation incorporates observable inputs comprising yield curves, foreign currency rates and credit spreads.

Level III Valuation Methodologies

Investments and financial instruments categorized as Level III consist primarily of the following:

Private Equity Investments: KKR generally employs two valuation methodologies when determining the fair value of a private equity investment. The first methodology is typically a market comparables analysis that considers key financial inputs and recent public and private transactions and other available measures. The second methodology utilized is typically a discounted cash flow analysis, which incorporates significant assumptions and judgments. Estimates of key inputs used in this methodology include the weighted average cost of capital for the investment and assumed inputs used to calculate terminal values, such as exit EBITDA multiples. Other inputs are also used in both methodologies. In addition, when a definitive agreement has been executed to sell an investment, KKR generally considers a significant determinant of fair value to be the consideration to be received by KKR pursuant to the executed definitive agreement.

Upon completion of the valuations conducted using these methodologies, a weighting is ascribed to each method, and an illiquidity discount is typically applied where appropriate. The ultimate fair value recorded for a particular investment will generally be within a range suggested by the two methodologies, except that the value may be higher or lower than such range in the case of investments being sold pursuant to an executed definitive agreement.

When determining the weighting ascribed to each valuation methodology, KKR considers, among other factors, the availability of direct market comparables, the applicability of a discounted cash flow analysis, the expected hold period and manner of realization for the investment, and in the case of investments being sold pursuant to an executed definitive agreement, an estimated probability of such sale being completed. These factors can result in different weightings among investments in the portfolio and in certain instances may result in up to a 100% weighting to a single methodology.

When an illiquidity discount is to be applied, KKR seeks to take a uniform approach across its portfolio and generally applies a minimum 5% discount to all private equity investments. KKR then evaluates such private equity investments to determine if factors exist that could make it more challenging to monetize the investment and, therefore, justify applying a higher illiquidity discount. These factors generally include (i) whether KKR is unable to sell the portfolio company or conduct an initial public offering of the portfolio company due to the consent rights of a third party or similar factors, (ii) whether the portfolio company is undergoing significant restructuring activity or similar factors and (iii) characteristics about the portfolio company regarding its size and/or whether the portfolio company is experiencing, or expected to experience, a significant decline in earnings. These factors generally make it less likely that a portfolio company would be sold or publicly offered in the near term at a price indicated by using just a market multiples and/or discounted cash flow analysis, and these factors tend to reduce the number of opportunities to sell an investment and/or increase the time horizon over which an investment may be monetized. Depending on the applicability of these factors, KKR determines the amount of any incremental illiquidity discount to be applied above the 5% minimum, and during the time KKR holds the investment, the illiquidity discount may be increased or decreased, from time to time, based on changes to these factors. The amount of illiquidity discount applied at any time requires considerable judgment about what a market participant would consider and is based on the facts and circumstances of each individual investment. Accordingly, the illiquidity discount ultimately considered by a market participant upon the realization of any investment may be higher or lower than that estimated by KKR in its valuations.

In the case of growth equity investments, enterprise values may be determined using the market comparables analysis and discounted cash flow analysis described above. A scenario analysis may also be conducted to subject the estimated enterprise values to a downside, base and upside case, which involves significant assumptions and judgments. A milestone analysis may also be conducted to assess the current level of progress towards value drivers that we have determined to be important, which involves significant assumptions and judgments. The enterprise value in each case may then be allocated across the investment's capital structure to reflect the terms of the security and subjected to probability weightings. In certain cases, the values of growth equity investments may be based on recent or expected financings.

Real Asset Investments: Real asset investments in infrastructure, energy and real estate are valued using one or more of the discounted cash flow analysis, market comparables analysis and direct income capitalization, which in each case incorporates significant assumptions and judgments. Infrastructure investments are generally valued using the discounted cash flow analysis. Key inputs used in this methodology can include the weighted average cost of capital and assumed inputs used to calculate terminal values, such as exit EBITDA multiples. Energy investments are generally valued using a discounted cash flow analysis. Key inputs used in this methodology that require estimates include the weighted average cost of capital. In addition, the valuations of energy investments generally incorporate both commodity prices as quoted on indices and long-term commodity price forecasts, which may be substantially different from commodity prices on certain indices for equivalent future dates. Certain energy investments do not include an illiquidity discount. Long-term commodity price forecasts are utilized to capture the value of the investments across a range of commodity prices within the energy investment portfolio associated with future development and to reflect a range of price expectations. Real estate investments are generally valued using a combination of direct income capitalization and discounted cash flow analysis. Key inputs used in such methodologies that require estimates include an unlevered discount rate and current capitalization rate. The valuations of real assets investments also use other inputs.

Credit Investments: Credit investments are valued using values obtained from dealers or market makers, and where these values are not available, credit investments are generally valued by KKR based on ranges of valuations determined by an independent valuation firm. Valuation models are based on discounted cash flow analyses, for which the key inputs are determined based on market comparables, which incorporate similar instruments from similar issuers.

Other Investments: With respect to other investments including equity method investments for which the fair value election has been made, KKR generally employs the same valuation methodologies as described above for private equity investments when valuing these other investments.

Investments and Debt Obligations of Consolidated CMBS Vehicles: Under ASU 2014-13, KKR measures CMBS investments, which are reported within Investments of Consolidated CFEs on the basis of the fair value of the financial liabilities of the CMBS. Debt obligations of consolidated CMBS vehicles are valued based on discounted cash flow analyses. The key input is the expected yield of each CMBS security using both observable and unobservable factors, which may include recently offered or completed trades and published yields of similar securities, security-specific characteristics (e.g. securities ratings issued by nationally recognized statistical rating organizations, credit support by other subordinate securities issued by the CMBS and coupon type) and other characteristics.

Key unobservable inputs that have a significant impact on KKR's Level III investment valuations as described above are included in Note 5 "Fair Value Measurements." KKR utilizes several unobservable pricing inputs and assumptions in

determining the fair value of its Level III investments. These unobservable pricing inputs and assumptions may differ by investment and in the application of KKR's valuation methodologies. KKR's reported fair value estimates could vary materially if KKR had chosen to incorporate different unobservable pricing inputs and other assumptions or, for applicable investments, if KKR only used either the discounted cash flow methodology or the market comparables methodology instead of assigning a weighting to both methodologies.

Level III Valuation Process

The valuation process involved for Level III measurements is completed on a quarterly basis and is designed to subject the valuation of Level III investments to an appropriate level of consistency, oversight, and review.

For Private Markets investments classified as Level III, investment professionals prepare preliminary valuations based on their evaluation of financial and operating data, company specific developments, market valuations of comparable companies and other factors. These preliminary valuations are reviewed by an independent valuation firm engaged by KKR to perform certain procedures in order to assess the reasonableness of KKR's valuations annually for all Level III investments in Private Markets and quarterly for investments other than certain investments, which have values less than pre-set value thresholds and which in the aggregate comprise less than 5% of the total value of KKR's Level III Private Markets investments. The valuations of certain real asset investments are determined solely by an independent valuation firm without the preparation of preliminary valuations by our investment professionals, and instead such independent valuation firm relies principally on valuation information available to it as a broker or valuation firm. For credit investments and debt obligations of consolidated CMBS vehicles, an independent valuation firm is generally engaged by KKR with respect to investments classified as Level III. The valuation firm either provides a value or provides a valuation range from which KKR's investment professionals select a point in the range to determine the preliminary valuation or performs certain procedures in order to assess the reasonableness and provide positive assurance of KKR's valuations. After reflecting any input from the independent valuation firm, the valuation proposals are submitted for review and approval by KKR's valuation committees.

KKR has a global valuation committee that is responsible for coordinating and implementing the firm's valuation process to ensure consistency in the application of valuation principles across portfolio investments and between periods. The global valuation committee is assisted by the asset class-specific valuation committees that exist for private equity (including growth equity), real estate, energy and infrastructure, and credit. The asset class-specific valuation committees are responsible for the review and approval of all preliminary Level III valuations in their respective asset classes on a quarterly basis. The members of these valuation committees are comprised of investment professionals, including the heads of each respective strategy, and professionals from business operations functions such as legal, compliance and finance, who are not primarily responsible for the management of the investments. For periods prior to the completion of the PAAMCO Prisma transaction, when Level III valuations were required to be performed on hedge fund investments, a valuation committee for hedge funds reviewed these valuations.

All Level III valuations are also subject to approval by the global valuation committee, which is comprised of senior employees including investment professionals and professionals from business operations functions, and includes one of KKR's Co-Presidents and Co-Chief Operating Officers and its Chief Financial Officer, General Counsel and Chief Compliance Officer. When valuations are approved by the global valuation committee after reflecting any input from it, the valuations of Level III investments, as well as the valuations of Level I and Level II investments, are presented to the audit committee of the board of directors of the general partner of KKR & Co. L.P. and are then reported to the board of directors.

Revenues

For the three months ended March 31, 2018 and 2017 , respectively, revenues consisted of the following:

	Three Months Ended March 31,	
	2018	**2017**
Management Fees	$ 187,727	$ 161,182
Transaction Fees	158,653	243,658
Monitoring Fees	17,586	13,504
Fee Credits	(29,053)	(88,078)
Incentive Fees	13,805	273
Expense Reimbursements	20,211	23,265
Oil and Gas Revenue	14,507	17,273
Consulting Fees	10,958	9,102
Total Fees and Other [(1)]	394,394	380,179
Carried Interest	62,747	335,773
General Partner Capital Interest	15,465	51,803
Total Capital Allocation-Based Income	78,212	387,576
Total Revenues [(2)]	**$ 472,606**	**$ 767,755**

(1) Fees and Other presented in the table above, except for oil and gas revenue and certain transaction fees earned by KKR's Capital Markets business, are earned from KKR investment funds and portfolio companies.

(2) See Note 14 "Segment Reporting" for disaggregated revenues by reportable segment and a reconciliation of such segment revenues to revenues recorded in the condensed consolidated statements of operations.

Fees and Other

Management Fees

KKR provides investment management services to investment funds, CLOs, and other vehicles in exchange for a management fee. Management fees are recognized in the period during which the related investment management services are rendered in accordance with the contractual terms of the related agreement. Management fees are determined quarterly based on an annual rate and are generally based upon a percentage of the capital committed or capital invested during the investment period. Thereafter, management fees are generally based on a percentage of remaining invested capital, net asset value, gross assets or as otherwise defined in the respective contractual agreements. Management fees are generally billed quarterly or annually under the terms of the related agreement.

Management fees earned from KKR's consolidated investment funds, CLOs and other vehicles are eliminated in consolidation. However, because these amounts are funded by, and earned from, noncontrolling interests, KKR's allocated share of the net income from the consolidated investment funds, CLOs and other vehicles is increased by the amount of fees that are eliminated. Accordingly, the elimination of these fees does not impact the net income (loss) attributable to KKR or KKR partners' capital.

In the Private Markets segment, management fees earned from private equity funds generally range from 1% to 2% of committed capital during the fund's investment period and are generally 0.75% to 1.25% of invested capital after the expiration of the fund's investment period with subsequent reductions over time. Typically, an investment period is defined as a period of up to six years. The actual length of the investment period is often shorter due to the earlier deployment of committed capital. Management fees earned from growth equity, real assets, and core investment strategy funds generally range from 0.5% to 2.0% and are generally based on the investment fund's average net asset value, capital commitments, or invested capital.

In the Public Markets segment, management fees earned from credit funds and other investment vehicles generally range from 0.33% to 1.75% . Such rates may be based on the investment fund's average net asset value, capital commitments, or invested capital. Management fees earned from CLOs include senior collateral management fees and subordinate collateral management fees. When combined, senior collateral management fees and subordinate collateral management fees are determined based on an annual rate ranging from 0.40% to 0.50% of collateral. If amounts distributable on any payment date are insufficient to pay the collateral management fees according to the priority of payments, any shortfall is deferred and payable on subsequent payment dates. KKR has the right to waive all or any portion of any collateral management fee. For the purpose of calculating the collateral management fees, collateral, the payment dates, and the priority of payments are terms defined in the management agreements.

Management fees recognized but not received from investment funds, CLOs and other vehicles are recorded in Due from Affiliates on the condensed consolidated statements of financial condition (See Note 13 "Related Party Transactions").

Transaction Fees

KKR (i) arranges debt and equity financing, places and underwrites securities offerings and provides other types of capital markets services for companies seeking financing in its Capital Markets segment and (ii) provides advisory services in connection with successful Private Markets and Public Markets portfolio company investment transactions, in each case, in exchange for a transaction fee. Transaction fees are separately negotiated for each transaction and are generally based on (i) in our Capital Markets segment, a percentage of the overall transaction size and (ii) for Private Markets and Public Markets transactions, a percentage of either total enterprise value of an investment or a percentage of the aggregate price paid for an investment. Transaction fees are recognized when the underlying services rendered are completed in accordance with the terms of the transaction and advisory agreements, which is typically when the transaction closes. Transaction fees are generally paid on or shortly after the closing of a transaction. Transaction fees from our Private Markets and Public Markets businesses recognized but not received from portfolio companies are recorded in Due from Affiliates on the condensed consolidated statements of financial condition (See Note 13 "Related Party Transactions"). Transaction fees from our Capital Markets business recognized but not received from third parties are recorded in Other Assets on the condensed consolidated statements of financial condition (See Note 8 "Other Assets and Accounts Payable, Accrued Expenses and Other Liabilities").

Monitoring Fees

KKR agrees to provide services in connection with monitoring portfolio companies in exchange for a fee. Monitoring fees are recognized in the period during which the related services are rendered in accordance with the contractual terms of the related agreement. Monitoring fees are determined quarterly and are generally paid based on a fixed periodic schedule by the portfolio companies either in advance or in arrears and are separately negotiated for each portfolio company. In addition, certain monitoring fee provisions may provide for a termination payment following an initial public offering or change of control as defined in the contractual terms of the related agreement. These termination payments are recognized in the period when the related transaction closes. Monitoring fees recognized but not received from portfolio companies are recorded in Due from Affiliates on the condensed consolidated statements of financial condition (See Note 13 "Related Party Transactions").

Fee Credits

Under the terms of the management agreements with certain of its investment funds, KKR is required to share with such funds an agreed upon percentage of certain fees, including monitoring and transaction fees earned from portfolio companies ("Fee Credits"). Investment funds earn Fee Credits only with respect to monitoring and transaction fees that are allocable to the fund's investment in the portfolio company and not, for example, any fees allocable to capital invested through co-investment vehicles. Fee Credits are calculated after deducting certain costs related to investment transactions that were not consummated (“broken deal costs”) and generally amount to 80% for older funds, or 100% for our newer funds, of allocable monitoring and transaction fees after broken deal costs are recovered, although the actual percentage may vary from fund to fund. Fee Credits are recognized and owed to investment funds concurrently with the recognition of monitoring fees, transaction fees and broken deal costs. Since Fee Credits are payable to investment funds, amounts owed are generally applied as a reduction of the management fee that is otherwise billed to the investment fund. Fee credits owed to investment funds are recorded in Due to Affiliates on the condensed consolidated statements of financial condition (See Note 13 "Related Party Transactions").

Incentive Fees

KKR provides investment management services to investment funds, CLOs and other vehicles in exchange for a management fee as discussed above and, in some cases an incentive fee when KKR is not entitled to a carried interest. Incentive fees are recognized based on fund performance, subject to the achievement of minimum return levels, and/or high water marks, in accordance with the respective terms set out in each governing agreement. Incentive fee rates generally range from 5% to 20% of investment gains. KKR does not record performance-based incentive fees until the end of each fund's measurement period (which is generally one year) when the performance-based incentive fees become fixed and determinable. Incentive fees are generally paid within 90 days of the end of the investment vehicles' measurement period. Incentive fees recognized but not received from investment funds, CLOs and other vehicles are recorded in Due from Affiliates on the condensed consolidated statements of financial condition (See Note 13 "Related Party Transactions").

Expense Reimbursements

In connection with the (i) investment management services provided to investment funds and (ii) the monitoring of portfolio companies, KKR receives reimbursement for certain expenses incurred on behalf of these entities that have been determined by KKR to be additional compensation to satisfy its performance obligation. For these expense reimbursements KKR is considered the principal under the agreements and records the expense and related reimbursement revenue on a gross basis. Costs incurred are classified as General, Administrative and Other and reimbursements of such costs are classified as Expense Reimbursements within Revenues on the condensed consolidated statements of operations. Expense reimbursements recognized but not received from investment funds and portfolio companies are recorded in Due from Affiliates on the condensed consolidated statements of financial condition (See Note 13 "Related Party Transactions").

Oil and Gas Revenue

Oil and gas revenues are recognized when production is sold to a purchaser at fixed or determinable prices, when delivery has occurred and title has transferred and collectability of the revenue is reasonably assured. Oil and gas revenue recognized but not received from third parties are recorded in Other Assets on the condensed consolidated statements of financial condition (See Note 8 "Other Assets and Accounts Payable, Accrued Expenses and Other Liabilities").

Consulting Fees

Certain consolidated entities that employ non-employee operating consultants provide consulting and other services to portfolio companies and other companies in exchange for a consulting fee. Consulting fees are recognized in the period during which the related advisory services are rendered in accordance with the contractual terms of the related agreement. Consulting fees are separately negotiated with each portfolio company for which services are provided and are not shared with KKR. Consulting fees recognized but not received from portfolio companies are recorded in Due from Affiliates on the condensed consolidated statements of financial condition (See Note 13 "Related Party Transactions").

Capital Allocation-Based Income

Capital allocation-based income is earned from those arrangements where KKR has a general partner capital interest and is entitled to a disproportionate allocation of investment income (referred to hereafter as “carried interest”). KKR accounts for its general partner interests in capital allocation-based arrangements as financial instruments under ASC 323, Investments - Equity Method and Joint Ventures (“ASC 323”) since the general partner has significant governance rights in the investment funds in which it invests, which demonstrates significant influence. In accordance with ASC 323, KKR records equity method income based on the proportionate share of the income of the investment fund, including carried interest, assuming the investment fund was liquidated as of each reporting date pursuant to each investment fund's governing agreements. Accordingly, these general partner interests are accounted for outside of the scope of ASC 606. Other arrangements surrounding contractual incentive fees through an advisory contract are separate and distinct and accounted for in accordance with ASC 606. In these incentive fee arrangements, accounted for in accordance with ASC 606, KKR’s economics in the entity do not involve an allocation of capital. See “Incentive Fees” above.

Carried interest is allocated to the general partner based on cumulative fund performance to date, and where applicable, subject to a preferred return to the funds' limited partners. At the end of each reporting period, KKR calculates the carried interest that would be due to KKR for each investment fund, pursuant to the fund agreements, as if the fair value of the underlying investments were realized as of such date, irrespective of whether such amounts have been realized. As the fair value of underlying investments varies between reporting periods, it is necessary to make adjustments to amounts recorded as carried interest to reflect either (a) positive performance resulting in an increase in the carried interest allocated to the general

partner or (b) negative performance that would cause the amount due to KKR to be less than the amount previously recognized, resulting in a negative adjustment to carried interest allocated to the general partner. In each case, it is necessary to calculate the carried interest on cumulative results compared to the carried interest recorded to date and to make the required positive or negative adjustments. KKR ceases to record negative carried interest allocations once previously recognized carried interest allocations for an investment fund have been fully reversed. KKR is not obligated to make payments for guaranteed returns or hurdles and, therefore, cannot have negative carried interest over the life of an investment fund. Accrued but unpaid carried interest as of the reporting date is reflected in Investments in the condensed consolidated statements of financial condition.

Prior to January 1, 2018, to the extent an investment fund was not consolidated, KKR accounted for carried interest within Fees and Other separately from its general partner capital interest, which was included in Net Gains (Losses) from Investment Activities in the condensed consolidated statements of operations. Effective January 1, 2018, the carried interest component of the general partner interest and the capital interest KKR holds in its investment funds as the general partner are accounted for as a single unit of account and reported in capital allocation-based income within Revenues in the condensed consolidated statements of operations. This change in accounting has been applied on a full retrospective basis. For the three months ended March 31, 2017, $335.8 million and $51.8 million were reclassified from Fees and Other and Net Gains (Losses) from Investment Activities, respectively, to Capital Allocation-Based Income in the condensed consolidated statements of operations.

Cash and Cash Equivalents Held at Consolidated Entities

Cash and cash equivalents held at consolidated entities represents cash that, although not legally restricted, is not available to fund general liquidity needs of KKR as the use of such funds is generally limited to the investment activities of KKR's investment funds and CFEs.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents primarily represent amounts that are held by third parties under certain of KKR's financing and derivative transactions. The duration of this restricted cash generally matches the duration of the related financing or derivative transaction.

Recently Issued Accounting Pronouncements

Revenue from Contracts with Customers

The FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”) in May 2014 and subsequently issued several amendments to the standard. ASU 2014-09, and related amendments, provide comprehensive guidance for recognizing revenue from contracts with customers. Entities will be able to recognize revenue when the entity transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The guidance includes a five-step framework that requires an entity to: (i) identify the contracts with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contracts, and (v) recognize revenue when the entity satisfies a performance obligation. The guidance in ASU 2014-09, and the related amendments, is effective for KKR beginning on January 1, 2018, and KKR adopted this guidance on that date. KKR has implemented ASU 2014-09 and its related amendments and there were no changes to KKR's historical pattern of recognizing revenue. See the accounting policy for Revenues above.

Cash Flows

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, which amends the guidance on the classification of certain cash receipts and payments in the statement of cash flows. The amended guidance adds or clarifies guidance on eight cash flow matters: (i) debt prepayment or debt extinguishment costs, (ii) settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, (iii) contingent consideration payments made after a business combination, (iv) proceeds from the settlement of insurance claims, (v) proceeds from the settlement of corporate-owned life insurance policies, (vi) distributions received from equity method investees, (vii) beneficial interests in securitization transactions and (viii) separately identifiable cash flows and application of the predominance principle. The guidance is effective for KKR beginning on January 1, 2018, and KKR adopted this guidance on that date. This adoption did not have a material impact on KKR's condensed consolidated statements of cash flows.

Notes to Condensed Consolidated Financial Statements (Continued)

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which amends the guidance to add or clarify guidance on the classification and presentation of restricted cash in the statement of cash flows. The amended guidance requires the following: (i) restricted cash and restricted cash equivalents should be included in the cash and cash-equivalents balances in the statement of cash flows; (ii) changes in restricted cash and restricted cash equivalents that result from transfers between cash, cash equivalents, and restricted cash and restricted cash equivalents should not be presented as cash flow activities in the statement of cash flows; (iii) a reconciliation between the statement of financial position and the statement of cash flows must be disclosed when the statement of financial position includes more than one line item for cash, cash equivalents, restricted cash, and restricted cash equivalents; and (iv) the nature of the restrictions must be disclosed for material restricted cash and restricted cash equivalents amounts. The guidance is effective for KKR beginning on January 1, 2018, and KKR adopted this guidance on that date. Upon adoption, (i) Restricted Cash and Cash Equivalents and (ii) Cash and Cash Equivalents Held at Consolidated Entities were (a) included in the cash and cash-equivalents balances in the condensed consolidated statements of cash flows and (b) disclosed in a reconciliation between the condensed consolidated statements of financial condition and the condensed consolidated statements of cash flows. This guidance has been applied on a full retrospective basis. For the three months ended March 31, 2017, $32.5 million of cash provided by operating activities and $83.3 million of cash provided by investing activities were removed from net cash provided (used) by operating activities and net cash provided (used) by investing activities, respectively, and included in net increase/(decrease) in cash, cash-equivalents and restricted cash in the condensed consolidated statements of cash flows.

Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The guidance requires the recognition of lease assets and lease liabilities for those leases classified as operating leases under previous GAAP. The guidance retains a distinction between finance leases and operating leases. The classification criteria for distinguishing between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between capital leases and operating leases under previous GAAP. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee have not changed significantly from previous GAAP. For operating leases, a lessee is required to do the following: (a) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in the statement of financial condition, (b) recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis, and (c) classify all cash payments within operating activities in the statement of cash flows. The guidance is effective for fiscal periods beginning after December 15, 2018. Early application is permitted. KKR is currently evaluating the impact of this guidance on the financial statements.

Equity-Based Compensation

In May 2017, the FASB issued ASU No. 2017-09, Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting ("ASU 2017-09"), which amends the scope of modification accounting for share-based payment arrangements. ASU 2017-09 provides guidance on the types of changes to the terms or conditions of share-based payment awards to which an entity would be required to apply modification accounting. Specifically, an entity would not apply modification accounting if the fair value, vesting conditions, and classification of the awards are the same immediately before and after the modification. ASU 2017-09 is effective for fiscal years and interim periods beginning after December 15, 2017. This guidance has been adopted as of January 1, 2018 and did not have a material impact to KKR.

Income Taxes

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): Intra-entity Transfers of Assets Other Than Inventory ("ASU 2016-16"), which removed the prohibition in ASC 740 against the immediate recognition of the current and deferred income tax effects of intra-entity transfers of assets other than inventory. ASU 2016-16 is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those annual reporting periods. This guidance has been adopted as of January 1, 2018 and did not have a material impact to KKR.

Clarifying the Definition of a Business

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business ("ASU 2017-01"). This guidance amends the definition of a business and provides a threshold which must be considered to determine whether a transaction is an asset acquisition or a business combination. ASU 2017-01 is effective for fiscal years and interim periods beginning after December 15, 2017. Early adoption is permitted for transactions (i.e. acquisitions or dispositions) that occurred before the issuance date or effective date of the standard if the transactions were not reported in financial statements that have been issued or made available for issuance. This guidance has been adopted as of the fourth quarter of 2017.

Goodwill

In January 2017, the FASB issued ASU No. 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment. This guidance simplifies the accounting for goodwill impairments by eliminating the second step from the goodwill impairment test. The ASU requires goodwill impairments to be measured on the basis of the fair value of a reporting unit relative to the reporting unit's carrying amount rather than on the basis of the implied amount of goodwill relative to the goodwill balance of the reporting unit. The ASU also (i) clarifies the requirements for excluding and allocating foreign currency translation adjustments to reporting units related to an entity's testing of reporting units for goodwill impairment; and (ii) clarifies that an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The guidance is effective for fiscal periods beginning after December 15, 2019. Early adoption is allowed for entities as of January 1, 2017, for annual and any interim impairment tests occurring after January 1, 2017. KKR is currently evaluating the impact of this guidance on the financial statements.

Premium Amortization on Purchased Callable Debt Securities

In March 2017, the FASB issued ASU No. 2017-08, Receivables - Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities ("ASU 2017-08"). This guidance amends the amortization period for certain purchased callable debt securities held at a premium. The guidance requires the premium to be amortized to the earliest call date. The guidance does not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. ASU 2017-08 is effective for fiscal years and interim periods beginning after December 15, 2018. Early adoption is permitted and the guidance when adopted should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. KKR is currently evaluating the impact of this guidance on the financial statements.

Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income

In February 2018, the FASB issued ASU No. 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income ("ASU 2018-02). Under ASC 740-10-45-15, the effects of changes in tax rates and laws on deferred tax balances are recorded as a component of tax expense related to continuing operations for the period in which the law was enacted, even if the assets and liabilities related to items of accumulated other comprehensive income ("OCI"). ASU 2018-02 allows entities to reclassify from accumulated OCI to retained earnings stranded tax effects related to the change in federal tax rate for all items accounted for in OCI. Entities can also elect to reclassify other stranded tax effects that relate to the Tax Cuts and Jobs Act, which was enacted in December 2017 and amended various aspects of U.S. federal income tax legislation (the "2017 Tax Act"), but do not directly relate to the change in the federal tax rate. Tax effects that are stranded in OCI for other reasons may not be reclassified. In the period of adoption, entities that elect to reclassify the income tax effects of the 2017 Tax Act from accumulated OCI to retained earnings must disclose that they made such an election. Entities must also disclose a description of other income tax effects related to the 2017 Tax Act that are reclassified from accumulated OCI to retained earnings, if any. The guidance is effective for fiscal periods beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted for periods for which financial statement have not yet been issued or made available upon issuance, including in the period the 2017 Tax Act was enacted. An entity that adopts ASU 2018-02 in an annual or interim periods after the period of enactment is able to choose whether to apply the amendments retrospectively to each period in which the effect of the 2017 Tax Act is recognized or to apply the amendments in the period of adoption. KKR is currently evaluating the impact of this guidance on the financial statements.

3. NET GAINS (LOSSES) FROM INVESTMENT ACTIVITIES

Net Gains (Losses) from Investment Activities in the condensed consolidated statements of operations consist primarily of the realized and unrealized gains and losses on investments (including foreign exchange gains and losses attributable to foreign denominated investments and related activities) and other financial instruments, including those for which the fair value option has been elected. Unrealized gains or losses result from changes in the fair value of these investments and other financial instruments during a period. Upon disposition of an investment or financial instrument, previously recognized unrealized gains or losses are reversed and an offsetting realized gain or loss is recognized in the current period.

The following tables summarize total Net Gains (Losses) from Investment Activities:

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total
Private Equity [1]	$ 16,253	$ 158,369	$ 174,622	$ 106,813	$ 3,288	$ 110,101
Credit [1]	1,263	58,150	59,413	(213,857)	247,139	33,282
Investments of Consolidated CFEs [1]	(26,516)	(48,403)	(74,919)	(1,103)	12,983	11,880
Real Assets [1]	12,957	59,297	72,254	3,060	6,798	9,858
Equity Method - Other [1]	9,210	135,604	144,814	(287)	35,320	35,033
Other Investments [1]	(244,199)	86,365	(157,834)	(8,264)	113,984	105,720
Foreign Exchange Forward Contracts and Options [2]	(32,614)	(63,118)	(95,732)	9,986	(58,263)	(48,277)
Securities Sold Short [2]	275,949	(29,874)	246,075	246,787	42,270	289,057
Other Derivatives [2]	3,642	(8,223)	(4,581)	(5,760)	(4,847)	(10,607)
Debt Obligations and Other [3]	14,435	94,253	108,688	8,789	(38,191)	(29,402)
Net Gains (Losses) From Investment Activities	**$ 30,380**	**$ 442,420**	**$ 472,800**	**$ 146,164**	**$ 360,481**	**$ 506,645**

(1) See Note 4 "Investments."

(2) See Note 8 "Other Assets and Accounts Payable, Accrued Expenses and Other Liabilities."

(3) See Note 10 "Debt Obligations."

4. INVESTMENTS

Investments consist of the following:

	March 31, 2018	December 31, 2017
Private Equity	$ 4,416,481	$ 3,301,261
Credit	8,308,887	7,621,320
Investments of Consolidated CFEs	16,063,337	15,573,203
Real Assets	2,876,531	2,302,061
Equity Method - Other	3,505,032	3,324,631
Equity Method - Capital Allocation - Based Income	4,086,218	4,132,171
Other Investments	2,845,419	2,759,287
Total Investments	**$ 42,101,905**	**$ 39,013,934**

As of March 31, 2018 and December 31, 2017, there were no investments which represented greater than 5% of total investments. The majority of the securities underlying private equity investments represent equity securities.

5 . FAIR VALUE MEASUREMENTS

The following tables summarize the valuation of KKR's assets and liabilities by the fair value hierarchy. Investments classified as Equity Method - Other, for which the fair value option has not been elected, have been excluded from the tables below.

Assets, at fair value:

	March 31, 2018			
	Level I	Level II	Level III	Total
Private Equity	$ 994,496	$ 333,574	$ 3,088,411	$ 4,416,481
Credit	—	2,490,032	5,818,855	8,308,887
Investments of Consolidated CFEs	—	10,804,938	5,258,399	16,063,337
Real Assets	49,098	—	2,827,433	2,876,531
Equity Method - Other	52,555	291,668	1,085,725	1,429,948
Other Investments	858,120	186,095	1,801,204	2,845,419
Total	1,954,269	14,106,307	19,880,027	35,940,603
Foreign Exchange Contracts and Options	—	70,032	—	70,032
Other Derivatives	—	32,425	43,131 (1)	75,556
Total Assets	**$ 1,954,269**	**$ 14,208,764**	**$ 19,923,158**	**$ 36,086,191**

	December 31, 2017			
	Level I	Level II	Level III	Total
Private Equity	$ 1,043,390	$ 85,581	$ 2,172,290	$ 3,301,261
Credit	—	2,482,383	5,138,937	7,621,320
Investments of Consolidated CFEs	—	10,220,113	5,353,090	15,573,203
Real Assets	50,794	—	2,251,267	2,302,061
Equity Method - Other	60,282	247,748	1,076,709	1,384,739
Other Investments	864,872	134,404	1,760,011	2,759,287
Total	2,019,338	13,170,229	17,752,304	32,941,871
Foreign Exchange Contracts and Options	—	96,584	—	96,584
Other Derivatives	—	33,125	51,949 (1)	85,074
Total Assets	**$ 2,019,338**	**$ 13,299,938**	**$ 17,804,253**	**$ 33,123,529**

(1) Includes derivative assets that were valued using a third-party valuation firm. The approach used to estimate the fair value of these derivative assets was generally the discounted cash flow method, which includes consideration of the current portfolio, projected portfolio construction, projected portfolio realizations, portfolio volatility (based on the volatility, correlation, and size of each underlying asset class), and the discounting of future cash flows to the reporting date.

Liabilities, at fair value:

	March 31, 2018			
	Level I	Level II	Level III	Total
Securities Sold Short	$ 430,009	$ 19,554	$ —	$ 449,563
Foreign Exchange Contracts and Options	—	304,940	—	304,940
Unfunded Revolver Commitments	—	—	33,530 (1)	33,530
Other Derivatives	—	20,775	41,800 (2)	62,575
Debt Obligations of Consolidated CFEs	—	10,113,479	5,138,167	15,251,646
Total Liabilities	**$ 430,009**	**$ 10,458,748**	**$ 5,213,497**	**$ 16,102,254**

	December 31, 2017			
	Level I	Level II	Level III	Total
Securities Sold Short	$ 692,007	$ —	$ —	$ 692,007
Foreign Exchange Contracts and Options	—	260,948	—	260,948
Unfunded Revolver Commitments	—	—	17,629 (1)	17,629
Other Derivatives	—	27,581	41,800 (2)	69,381
Debt Obligations of Consolidated CFEs	—	10,347,980	5,238,236	15,586,216
Total Liabilities	**$ 692,007**	**$ 10,636,509**	**$ 5,297,665**	**$ 16,626,181**

(1) These unfunded revolver commitments are classified as Level III within the fair value hierarchy and valued using the same valuation methodologies as KKR's Level III credit investments.

(2) Includes options issued in connection with the acquisition of the equity interest in Marshall Wace and its affiliates in November 2015 to increase KKR's ownership interest up to 39.9% in periodic increments from 2018 to 2019. The option is valued using a Monte-Carlo simulation valuation methodology. Key inputs used in this methodology that require estimates include Marshall Wace's dividend yield, assets under management volatility and equity volatility. See Note 4 "Investments."

Notes to Condensed Consolidated Financial Statements (Continued)

The following tables summarize changes in investments and debt obligations reported at fair value for which Level III inputs have been used to determine fair value for the three months ended March 31, 2018 and 2017, respectively:

For the Three Months Ended March 31, 2018

	Level III Investments							Level III Debt Obligations
	Private Equity	Credit	Investments of Consolidated CFEs	Real Assets	Equity Method - Other	Other Investments	Total	Debt Obligations of Consolidated CFEs
Balance, Beg. of Period	$ 2,172,290	$ 5,138,937	$ 5,353,090	$ 2,251,267	$ 1,076,709	$ 1,760,011	$ 17,752,304	$ 5,238,236
Transfers In / (Out) Due to Changes in Consolidation	—	—	—	—	—	—	—	—
Transfers In	—	—	—	—	—	—	—	—
Transfers Out	—	—	—	—	—	—	—	—
Asset Purchases / Debt Issuances	727,626	890,113	—	540,898	2,037	64,757	2,225,431	—
Sales / Paydowns	(35,245)	(230,144)	(11,541)	(34,237)	(31,939)	(36,218)	(379,324)	—
Settlements	—	(53,825)	—	—	—	—	(53,825)	(11,541)
Net Realized Gains (Losses)	15,312	11,581	—	8,354	9,348	8,892	53,487	—
Net Unrealized Gains (Losses)	208,428	77,715	(83,150)	61,151	29,570	3,762	297,476	(88,528)
Change in Other Comprehensive Income	—	(15,522)	—	—	—	—	(15,522)	—
Balance, End of Period	**$ 3,088,411**	**$ 5,818,855**	**$ 5,258,399**	**$ 2,827,433**	**$ 1,085,725**	**$ 1,801,204**	**$ 19,880,027**	**$ 5,138,167**
Changes in Net Unrealized Gains (Losses) Included in Net Gains (Losses) from Investment Activities related to Level III Assets and Liabilities still held as of the Reporting Date	$ 208,428	$ 86,754	$ (83,150)	$ 61,151	$ 34,928	$ 10,442	$ 318,553	$ (88,528)

For the Three Months Ended March 31, 2017

	Level III Investments							Level III Debt Obligations
	Private Equity	Credit	Investments of Consolidated CFEs	Real Assets	Equity Method - Other	Other Investments	Total	Debt Obligations of Consolidated CFEs
Balance, Beg. of Period	$ 1,559,559	$ 3,290,361	$ 5,406,220	$ 1,807,128	$ 570,522	$ 1,767,573	$ 14,401,363	$ 5,294,741
Transfers In / (Out) Due to Changes in Consolidation	—	(95,962)	—	—	—	—	(95,962)	—
Transfers In	—	—	—	—	—	—	—	—
Transfers Out	—	—	—	—	—	(1,496)	(1,496)	—
Asset Purchases / Debt Issuances	429,644	596,862	—	250,278	9,556	15,119	1,301,459	—
Sales / Paydowns	(22,629)	(168,858)	(8,940)	(21,677)	(12,678)	(8,128)	(242,910)	—
Settlements	—	(11,075)	—	—	—	—	(11,075)	(8,940)
Net Realized Gains (Losses)	—	(9,243)	—	3,060	—	(19,530)	(25,713)	—
Net Unrealized Gains (Losses)	34,630	280,039	29,272	6,798	25,827	52,843	429,409	27,769
Change in Other Comprehensive Income	—	20,899	—	—	—	—	20,899	—
Balance, End of Period	**$ 2,001,204**	**$ 3,903,023**	**$ 5,426,552**	**$ 2,045,587**	**$ 593,227**	**$ 1,806,381**	**$ 15,775,974**	**$ 5,313,570**
Changes in Net Unrealized Gains (Losses) Included in Net Gains (Losses) from Investment Activities related to Level III Assets and Liabilities still held as of the Reporting Date	$ 34,630	$ 280,039	$ 29,272	$ 6,798	$ 25,827	$ 52,843	$ 429,409	$ 27,769

Notes to Condensed Consolidated Financial Statements (Continued)

Total realized and unrealized gains and losses recorded for Level III assets and liabilities are reported in Net Gains (Losses) from Investment Activities in the accompanying condensed consolidated statements of operations.

The following table summarizes the fair value transfers between fair value levels for the three months ended March 31, 2018 and 2017:

	Three Months Ended March 31,	
	2018	2017
Investments, at fair value:		
Transfers from Level III to Level I [1]	$ —	$ 1,496

(1) Transfers out of Level III into Level I are attributable to companies that are valued using their publicly traded market price.

The following table presents additional information about valuation methodologies and significant unobservable inputs used for investments and debt obligations that are measured at fair value and categorized within Level III as of March 31, 2018 :

	Fair Value March 31, 2018	Valuation Methodologies	Unobservable Input(s) (1)	Weighted Average (2)	Range	Impact to Valuation from an Increase in Input (3)
Private Equity	**$ 3,088,411**					
Private Equity	**$ 1,282,345**	Inputs to market comparables, discounted cash flow and transaction price	Illiquidity Discount	9.1%	5.0% - 15.0%	Decrease
			Weight Ascribed to Market Comparables	47.7%	0.0% - 50.0%	(4)
			Weight Ascribed to Discounted Cash Flow	50.6%	25.0% - 100.0%	(5)
			Weight Ascribed to Transaction Price	1.7%	0.0% - 50.0%	(6)
		Market comparables	Enterprise Value/LTM EBITDA Multiple	14.7x	7.9x - 28.0x	Increase
			Enterprise Value/Forward EBITDA Multiple	12.6x	6.0x - 20.4x	Increase
		Discounted cash flow	Weighted Average Cost of Capital	9.9%	6.9% - 14.9%	Decrease
			Enterprise Value/LTM EBITDA Exit Multiple	10.6x	5.1x - 15.3x	Increase
Growth Equity	**$ 1,806,066**	Inputs to market comparables, discounted cash flow and milestones	Illiquidity Discount	11.7%	10.0% - 20.0%	Decrease
			Weight Ascribed to Market Comparables	19.7%	0.0% - 100.0%	(4)
			Weight Ascribed to Discounted Cash Flow	7.7%	0.0% - 75.0%	(5)
			Weight Ascribed to Milestones	72.6%	0.0% - 100.0%	(6)
		Scenario Weighting	Base	54.9%	40.0% - 80.0%	Increase
			Downside	21.3%	10.0% - 30.0%	Decrease
			Upside	23.8%	10.0% - 40.0%	Increase
Credit	**$ 5,818,855**	Yield Analysis	Yield	10.5%	1.0% - 30.8%	Decrease
			Net Leverage	4.7x	0.5x - 30.6x	Decrease
			EBITDA Multiple	13.9x	0.1x - 29.7x	Increase
Investments of Consolidated CFEs	**$ 5,258,399**	(9)				
Debt Obligations of Consolidated CFEs	**$ 5,138,167**	Discounted cash flow	Yield	5.8%	2.6% - 26.0%	Decrease
Real Assets	**$ 2,827,433**	(10)				
Energy	**$ 1,606,595**	Discounted cash flow	Weighted Average Cost of Capital	10.2%	9.4% - 16.3%	Decrease
			Average Price Per BOE (8)	$41.47	$28.90 - $43.56	Increase

Notes to Condensed Consolidated Financial Statements (Continued)

	Fair Value March 31, 2018		Valuation Methodologies	Unobservable Input(s) (1)	Weighted Average (2)	Range	Impact to Valuation from an Increase in Input (3)
Real Estate	**$ 1,014,158**		Inputs to direct income capitalization and discounted cash flow	Weight Ascribed to Direct Income Capitalization	38.6%	0.0% - 100.0%	(7)
				Weight Ascribed to Discounted Cash Flow	61.4%	0.0% - 100.0%	(5)
			Direct income capitalization	Current Capitalization Rate	5.9%	1.1% - 12.0%	Decrease
			Discounted cash flow	Unlevered Discount Rate	8.8%	4.5% - 18.0%	Decrease
Equity Method - Other	**$ 1,085,725**		Inputs to market comparables, discounted cash flow and transaction price	Illiquidity Discount	9.6%	5.0% - 10.0%	Decrease
				Weight Ascribed to Market Comparables	42.8%	0.0% - 50.0%	(4)
				Weight Ascribed to Discounted Cash Flow	42.8%	0.0% - 50.0%	(5)
				Weight Ascribed to Transaction Price	14.4%	0.0% - 100.0%	(6)
			Market comparables	Enterprise Value/LTM EBITDA Multiple	12.3x	7.9x - 14.0x	Increase
				Enterprise Value/Forward EBITDA Multiple	11.6x	6.0x - 12.7x	Increase
			Discounted cash flow	Weighted Average Cost of Capital	8.6%	6.2% - 11.1%	Decrease
				Enterprise Value/LTM EBITDA Exit Multiple	10.6x	6.0x - 12.5x	Increase
Other Investments	**$ 1,801,204**	(11)	Inputs to market comparables, discounted cash flow and transaction price	Illiquidity Discount	10.4%	5.0% - 20.0%	Decrease
				Weight Ascribed to Market Comparables	27.9%	0.0% - 100.0%	(4)
				Weight Ascribed to Discounted Cash Flow	45.3%	0.0% - 100.0%	(5)
				Weight Ascribed to Transaction Price	26.8%	0.0% - 100.0%	(6)
			Market comparables	Enterprise Value/LTM EBITDA Multiple	10.4x	0.1x - 13.3x	Increase
				Enterprise Value/Forward EBITDA Multiple	9.4x	3.5x - 13.5x	Increase
			Discounted cash flow	Weighted Average Cost of Capital	13.1%	8.1% - 20.8%	Decrease
				Enterprise Value/LTM EBITDA Exit Multiple	3.9x	1.9x - 9.0x	Increase

(1) In determining certain of these inputs, management evaluates a variety of factors including economic conditions, industry and market developments, market valuations of comparable companies and company specific developments including exit strategies and realization opportunities. Management has determined that market participants would take these inputs into account when valuing the investments and debt obligations. LTM means last twelve months and EBITDA means earnings before interest taxes depreciation and amortization.

(2) Inputs were weighted based on the fair value of the investments included in the range.

(3) Unless otherwise noted, this column represents the directional change in the fair value of the Level III investments that would result from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

(4) The directional change from an increase in the weight ascribed to the market comparables approach would increase the fair value of the Level III investments if the market comparables approach results in a higher valuation than the discounted cash flow approach and transaction price. The opposite would be true if the market comparables approach results in a lower valuation than the discounted cash flow approach and transaction price.

(5) The directional change from an increase in the weight ascribed to the discounted cash flow approach would increase the fair value of the Level III investments if the discounted cash flow approach results in a higher valuation than the market comparables approach, transaction price and direct income capitalization approach. The opposite would be true if the discounted cash flow approach results in a lower valuation than the market comparables approach and transaction price.

(6) The directional change from an increase in the weight ascribed to the transaction price or milestones would increase the fair value of the Level III investments if the transaction price results in a higher valuation than the market comparables and discounted cash flow approach. The opposite would be true if the transaction price results in a lower valuation than the market comparables approach and discounted cash flow approach.

(7) The directional change from an increase in the weight ascribed to the direct income capitalization approach would increase the fair value of the Level III investments if the direct income capitalization approach results in a higher valuation than the discounted cash flow approach. The opposite would be true if the direct income capitalization approach results in a lower valuation than the discounted cash flow approach.

(8) The total energy fair value amount includes multiple investments (in multiple locations throughout North America) that are held in multiple investment funds and produce varying quantities of oil, condensate, natural gas liquids, and natural gas. Commodity price may be measured using a common volumetric equivalent where one barrel of oil equivalent, or BOE, is determined using the ratio of six thousand cubic feet of natural gas to one barrel of oil, condensate or natural gas liquids. The price per BOE is provided to show the aggregate of all price inputs for the various investments over a common volumetric equivalent although the valuations for specific investments may use price inputs specific to the asset for purposes of our valuations. The discounted cash flows include forecasted production of liquids (oil, condensate, and natural gas liquids) and natural gas with a forecasted revenue ratio of approximately 85% liquids and 15% natural gas.

(9) KKR measures CMBS investments on the basis of the fair value of the financial liabilities of the CMBS vehicle. See Note 2 "Summary of Significant Accounting Policies."

(10) Includes one Infrastructure investment for $206.7 million that was valued using a discounted cash flow analysis. The significant inputs used included the weighted average cost of capital 7.2% and the enterprise value/LTM EBITDA Exit Multiple 12.0 x.

(11) Consists primarily of investments in common stock, preferred stock, warrants and options of companies that are not private equity, real assets, credit, equity method - other or investments of consolidated CFEs.

In the table above, certain private equity investments may be valued at cost for a period of time after an acquisition as the best indicator of fair value. In addition, certain valuations of private equity investments may be entirely or partially derived by reference to observable valuation measures for a pending or consummated transaction.

The various unobservable inputs used to determine the Level III valuations may have similar or diverging impacts on valuation. Significant increases and decreases in these inputs in isolation and interrelationships between those inputs could result in significantly higher or lower fair value measurements as noted in the table above.

6. FAIR VALUE OPTION

The following table summarizes the financial instruments for which the fair value option has been elected:

	March 31, 2018	December 31, 2017
Assets		
Private Equity	$ 3,092	$ 3,744
Credit	4,746,290	4,381,519
Investments of Consolidated CFEs	16,063,337	15,573,203
Real Assets	340,412	343,820
Equity Method - Other	1,429,948	1,384,739
Other Investments	308,391	344,996
Total	**$ 22,891,470**	**$ 22,032,021**
Liabilities		
Debt Obligations of Consolidated CFEs	$ 15,251,646	$ 15,586,216
Total	**$ 15,251,646**	**$ 15,586,216**

The following table presents the net realized and net change in unrealized gains (losses) on financial instruments on which the fair value option was elected:

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total	Net Realized Gains (Losses)	Net Unrealized Gains (Losses)	Total
Assets						
Private Equity	$ 71	$ 316	$ 387	$ —	$ 362	$ 362
Credit	(28,867)	2,656	(26,211)	(239,098)	55,870	(183,228)
Investments of Consolidated CFEs	(26,516)	(48,403)	(74,919)	(1,103)	12,983	11,880
Real Assets	428	(3,483)	(3,055)	(216)	6,788	6,572
Equity Method - Other	9,348	66,093	75,441	—	20,362	20,362
Other Investments	4,607	(7,878)	(3,271)	(18,799)	17,281	(1,518)
Total	**$ (40,929)**	**$ 9,301**	**$ (31,628)**	**$ (259,216)**	**$ 113,646**	**$ (145,570)**
Liabilities						
Debt Obligations of Consolidated CFEs	13,256	93,654	106,910	4,825	(11,058)	(6,233)
Total	**$ 13,256**	**$ 93,654**	**$ 106,910**	**$ 4,825**	**$ (11,058)**	**$ (6,233)**

7. NET INCOME (LOSS) ATTRIBUTABLE TO KKR & CO. L.P. PER COMMON UNIT

For the three months ended March 31, 2018 and 2017 , basic and diluted Net Income (Loss) attributable to KKR & Co. L.P. per common unit were calculated as follows:

	Three Months Ended March 31,	
	2018	**2017**
Net Income (Loss) Attributable to KKR & Co. L.P. Common Unitholders	$ 170,102	$ 259,343
Excess of carrying value over consideration transferred on redemption of KFN 7.375% Series A LLC Preferred Shares	3,102	—
Net Income (Loss) Available to KKR & Co. L.P. Common Unitholders	**$ 173,204**	**$ 259,343**
Basic Net Income (Loss) Per Common Unit		
Weighted Average Common Units Outstanding - Basic	**487,704,838**	**453,695,846**
Net Income (Loss) Attributable to KKR & Co. L.P. Per Common Unit - Basic	**$ 0.36**	**$ 0.57**
Diluted Net Income (Loss) Per Common Unit		
Weighted Average Common Units Outstanding - Basic	487,704,838	453,695,846
Weighted Average Unvested Common Units and Other Exchangeable Securities	48,213,436	42,988,494
Weighted Average Common Units Outstanding - Diluted	**535,918,274**	**496,684,340**
Net Income (Loss) Attributable to KKR & Co. L.P. Per Common Unit - Diluted	**$ 0.32**	**$ 0.52**

Weighted Average Common Units Outstanding—Diluted primarily includes unvested equity awards that have been granted under the Equity Incentive Plan as well as exchangeable equity securities issued in connection with the acquisition of Avoca. Vesting or exchanges of these equity interests dilute KKR and KKR Holdings pro rata in accordance with their respective ownership interests in the KKR Group Partnerships.

For the three months ended March 31, 2018 and 2017 , KKR Holdings units have been excluded from the calculation of Net Income (Loss) Attributable to KKR & Co. L.P. Per Common Unit - Diluted since the exchange of these units would not dilute KKR's respective ownership interests in the KKR Group Partnerships.

	Three Months Ended March 31,	
	2018	**2017**
Weighted Average KKR Holdings Units Outstanding	**335,016,218**	**352,586,584**

Additionally, for the three months ended March 31, 2018 , 5.0 million KKR common units subject to a market-price based vesting condition ("Market Condition Awards") were excluded from the calculation of Net Income (Loss) Attributable to KKR & Co. L.P. Per Common Unit - Diluted since the vesting conditions have not been satisfied. See Note 12 "Equity Based Compensation."

8. OTHER ASSETS AND ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER LIABILITIES

Other Assets consist of the following:

	March 31, 2018	December 31, 2017
Unsettled Investment Sales [1]	$ 154,082	$ 134,781
Receivables	53,448	138,109
Due from Broker [2]	331,830	682,403
Oil & Gas Assets, net [3]	245,373	252,371
Deferred Tax Assets, net	131,361	131,944
Interest Receivable	244,547	189,785
Fixed Assets, net [4]	368,957	364,203
Foreign Exchange Contracts and Options [5]	70,032	96,584
Intangible Assets, net [6]	124,514	129,178
Goodwill [6]	83,500	83,500
Derivative Assets	75,556	85,074
Deposits	16,654	16,330
Prepaid Taxes	78,295	83,371
Prepaid Expenses	23,530	25,677
Deferred Financing Costs	12,552	7,534
Other	89,072	110,231
Total	**$ 2,103,303**	**$ 2,531,075**

(1) Represents amounts due from third parties for investments sold for which cash settlement has not occurred.

(2) Represents amounts held at clearing brokers resulting from securities transactions.

(3) Includes proved and unproved oil and natural gas properties under the successful efforts method of accounting, which is net of impairment write-downs, accumulated depreciation, depletion and amortization. Depreciation, depletion and amortization amounted to $7,077 and $5,864 for the three months ended March 31, 2018 and 2017, respectively.

(4) Net of accumulated depreciation and amortization of $160,376 and $156,859 as of March 31, 2018 and December 31, 2017 , respectively. Depreciation and amortization expense of $3,710 and $4,197 for the three months ended March 31, 2018 and 2017, respectively, is included in General, Administrative and Other in the accompanying condensed consolidated statements of operations.

(5) Represents derivative financial instruments used to manage foreign exchange risk arising from certain foreign currency denominated investments. Such instruments are measured at fair value with changes in fair value recorded in Net Gains (Losses) from Investment Activities in the accompanying condensed consolidated statements of operations. See Note 3 "Net Gains (Losses) from Investment Activities" for the net changes in fair value associated with these instruments.

(6) See Note 16 "Goodwill and Intangible Assets."

Notes to Condensed Consolidated Financial Statements (Continued)

Accounts Payable, Accrued Expenses and Other Liabilities consist of the following:

	March 31, 2018	December 31, 2017
Amounts Payable to Carry Pool [1]	$ 1,176,070	$ 1,220,559
Unsettled Investment Purchases [2]	945,940	885,945
Securities Sold Short [3]	449,563	692,007
Derivative Liabilities	62,575	69,381
Accrued Compensation and Benefits	107,401	35,953
Interest Payable	183,350	168,673
Foreign Exchange Contracts and Options [4]	304,940	260,948
Accounts Payable and Accrued Expenses	111,519	152,916
Deferred Rent	16,322	17,441
Taxes Payable	23,331	35,933
Uncertain Tax Positions Reserve	58,370	58,369
Other Liabilities	64,373	56,125
Total	**$ 3,503,754**	**$ 3,654,250**

(1) Represents the amount of carried interest payable to principals, professionals and other individuals with respect to KKR's active funds and co-investment vehicles that provide for carried interest.

(2) Represents amounts owed to third parties for investment purchases for which cash settlement has not occurred.

(3) Represents the obligations of KKR to deliver a specified security at a future point in time. Such securities are measured at fair value with changes in fair value recorded in Net Gains (Losses) from Investment Activities in the accompanying condensed consolidated statements of operations. See Note 3 "Net Gains (Losses) from Investment Activities" for the net changes in fair value associated with these instruments.

(4) Represents derivative financial instruments used to manage foreign exchange risk arising from certain foreign currency denominated investments. Such instruments are measured at fair value with changes in fair value recorded in Net Gains (Losses) from Investment Activities in the accompanying condensed consolidated statements of operations. See Note 3 "Net Gains (Losses) from Investment Activities" for the net changes in fair value associated with these instruments.

9. VARIABLE INTEREST ENTITIES

Consolidated VIEs

KKR consolidates certain VIEs in which it is determined that KKR is the primary beneficiary as described in Note 2 "Summary of Significant Accounting Policies" and which are predominately CFEs and certain investment funds. The primary purpose of these VIEs is to provide strategy specific investment opportunities to earn capital gains, current income or both in exchange for management and performance based fees or carried interest. KKR's investment strategies for these VIEs differ by product; however, the fundamental risks have similar characteristics, including loss of invested capital and loss of management fees and carried interests. KKR does not provide performance guarantees and has no other financial obligation to provide funding to these consolidated VIEs, beyond amounts previously committed, if any.

Unconsolidated VIEs

KKR holds variable interests in certain VIEs which are not consolidated as it has been determined that KKR is not the primary beneficiary. VIEs that are not consolidated include certain investment funds sponsored by KKR and certain CLO vehicles.

Investments in Unconsolidated Investment Funds

KKR's investment strategies differ by investment fund; however, the fundamental risks have similar characteristics, including loss of invested capital and loss of management fees and carried interests. KKR's maximum exposure to loss as a result of its investments in the unconsolidated investment funds is the carrying value of such investments, including KKR's capital interest and any unrealized carried interest, which was approximately $4.1 billion at March 31, 2018 . Accordingly, disaggregation of KKR's involvement by type of unconsolidated investment fund would not provide more useful information. For these unconsolidated investment funds in which KKR is the sponsor, KKR may have an obligation as general partner to provide commitments to such investment funds. As of March 31, 2018 , KKR's commitments to these unconsolidated investment funds was $2.0 billion . KKR has not provided any financial support other than its obligated amount as of March 31, 2018 .

Investments in Unconsolidated CLO Vehicles

KKR provides collateral management services for, and has made nominal investments in, certain CLO vehicles that it does not consolidate. KKR's investments in the unconsolidated CLO vehicles, if any, are carried at fair value in the condensed consolidated statements of financial condition. KKR earns management fees, including subordinated collateral management fees, for managing the collateral of the CLO vehicles. As of March 31, 2018 , combined assets under management in the pools of unconsolidated CLO vehicles were $0.7 billion . KKR's maximum exposure to loss as a result of its investments in the residual interests of unconsolidated CLO vehicles is the carrying value of such investments, which was $27.5 million as of March 31, 2018 . CLO investors in the CLO vehicles may only use the assets of the CLO to settle the debt of the related CLO, and otherwise have no recourse against KKR for any losses sustained in the CLO structures.

As of March 31, 2018 and December 31, 2017, the maximum exposure to loss, before allocations to the carry pool and noncontrolling interests, if any, for those VIEs in which KKR is determined not to be the primary beneficiary but in which it has a variable interest is as follows:

	March 31, 2018	December 31, 2017
Investments	$ 4,113,673	$ 4,417,003
Due from (to) Affiliates, net	232,653	176,131
Maximum Exposure to Loss	**$ 4,346,326**	**$ 4,593,134**

10. DEBT OBLIGATIONS

KKR borrows and enters into credit agreements and issues debt for its general operating and investment purposes. Additionally, certain of KKR's consolidated investment funds borrow to meet financing needs of their operating and investing activities. KKR consolidates and reports KFN's debt obligations which are non-recourse to KKR beyond the assets of KFN.

Fund financing facilities have been established for the benefit of certain investment funds. When an investment fund borrows from the facility in which it participates, the proceeds from the borrowings are limited for their intended use by the borrowing investment fund. KKR's obligations with respect to these financing arrangements are generally limited to KKR's pro rata equity interest in such funds.

In addition, certain consolidated CFE vehicles issue debt securities to third-party investors which are collateralized by assets held by the CFE vehicle. Debt securities issued by CFEs are supported solely by the assets held at the CFEs and are not collateralized by assets of any other KKR entity. CFEs also may have warehouse facilities with banks to provide liquidity to the CFE. The CFE's debt obligations are non-recourse to KKR beyond the assets of the CFE.

KKR's borrowings consisted of the following:

	March 31, 2018			December 31, 2017		
	Financing Available	Borrowing Outstanding	Fair Value	Financing Available	Borrowing Outstanding	Fair Value
Revolving Credit Facilities:						
Corporate Credit Agreement	$ 1,000,000	$ —	$ —	$ 1,000,000	$ —	$ —
KCM Credit Agreement	452,223	—	—	487,656	—	—
KCM Short-Term Credit Agreement	750,000	—	—	750,000	—	—
Notes Issued:						
KKR Issued 6.375% Notes Due 2020 [1]	—	498,536	540,275 [13]	—	498,390	549,000 [13]
KKR Issued 5.500% Notes Due 2043 [2]	—	491,581	545,730 [13]	—	491,496	580,000 [13]
KKR Issued 5.125% Notes Due 2044 [3]	—	990,466	1,036,910 [13]	—	990,375	1,107,100 [13]
KKR Issued 0.509% Notes Due 2023 [4]	—	234,004	235,247 [13]	—	—	—
KKR Issued 0.764% Notes Due 2025 [5]	—	46,488	47,052 [13]	—	—	—
KKR Issued 1.595% Notes Due 2038 [6]	—	95,921	97,227 [13]	—	—	—
KFN Issued 5.500% Notes Due 2032 [7]	—	493,249	523,647	—	493,129	505,235
KFN Issued 5.200% Notes Due 2033 [8]	—	118,407	122,169	—	—	—
KFN Issued Junior Subordinated Notes [9]	—	236,385	207,673	—	236,038	201,828
Other Consolidated Debt Obligations:						
Fund Financing Facilities and Other [10]	1,676,423	3,584,588	3,584,588 [14]	2,056,096	2,898,215	2,898,215 [14]
CLO Senior Secured Notes [11]	—	9,806,031	9,806,031	—	10,055,686	10,055,686
CLO Subordinated Notes [11]	—	307,448	307,448	—	292,294	292,294
CMBS Debt Obligations [12]	—	5,138,167	5,138,167	—	5,238,236	5,238,236
	$ 3,878,646	**$ 22,041,271**	**$ 22,192,164**	**$ 4,293,752**	**$ 21,193,859**	**$ 21,427,594**

(1) $500 million aggregate principal amount of 6.375% senior notes of KKR due 2020. Borrowing outstanding is presented net of i) unamortized note discount and ii) unamortized debt issuance costs of $0.9 million and $1.0 million as of March 31, 2018 and December 31, 2017 , respectively.

(2) $500 million aggregate principal amount of 5.500% senior notes of KKR due 2043. Borrowing outstanding is presented net of i) unamortized note discount and ii) unamortized debt issuance costs of $3.7 million as of March 31, 2018 and December 31, 2017 .

(3) $1.0 billion aggregate principal amount of 5.125% senior notes of KKR due 2044. Borrowing outstanding is presented net of i) unamortized note discount (net of premium) and ii) unamortized debt issuance costs of $8.2 million and $8.3 million as of March 31, 2018 and December 31, 2017 , respectively.

(4) $235.3 million aggregate principal amount of 0.509% senior notes of KKR due 2023. Borrowing outstanding is presented net of unamortized debt issuance costs of $1.3 million as of March 31, 2018 . These senior notes are denominated in Japanese Yen ("JPY").

(5) $47.1 million aggregate principal amount of 0.764% senior notes of KKR due 2025. Borrowing outstanding is presented net of unamortized debt issuance costs of $0.6 million as of March 31, 2018 . These senior notes are denominated in JPY.

(6) $96.9 million aggregate principal amount of 1.595% senior notes of KKR due 2038. Borrowing outstanding is presented net of unamortized debt issuance costs of $1.0 million as of March 31, 2018 . These senior notes are denominated in JPY.

(7) KKR consolidates KFN and thus reports KFN's outstanding $500.0 million aggregate principal amount of 5.500% senior notes due 2032. Borrowing outstanding is presented net of i) unamortized note discount and ii) unamortized debt issuance costs of $4.6 million and $4.7 million as of March 31, 2018 and December 31, 2017 , respectively. These debt obligations are classified as Level III within the fair value hierarchy and valued using the same valuation methodologies as KKR's Level III credit investments.

(8) KKR consolidates KFN and thus reports KFN's outstanding $120.0 million aggregate principal amount of 5.200% senior notes due 2033. Borrowing outstanding is presented net of unamortized debt issuance costs of $1.6 million as of March 31, 2018 . These debt obligations are classified as Level III within the fair value hierarchy and valued using the same valuation methodologies as KKR's Level III credit investments.

(9) KKR consolidates KFN and thus reports KFN's outstanding $264.8 million aggregate principal amount of junior subordinated notes. The weighted average interest rate is 4.2% and 3.8% and the weighted average years to maturity is 18.5 years and 19.0 years as of March 31, 2018 and December 31, 2017 , respectively. These debt obligations are classified as Level III within the fair value hierarchy and valued using the same valuation methodologies as KKR's Level III credit investments.

(10) Certain of KKR's consolidated investment funds have entered into financing arrangements with major financial institutions, generally to enable such investment funds to make investments prior to or without receiving capital from fund limited partners. The weighted average interest rate is 4.3% and 4.2% as of March 31, 2018 and December 31, 2017 , respectively. In addition, the weighted average years to maturity is 3.3 years and 3.6 years as of March 31, 2018 and December 31, 2017 , respectively.

(11) CLO debt obligations are carried at fair value and are classified as Level II within the fair value hierarchy. See Note 5 "Fair Value Measurements."

(12) CMBS debt obligations are carried at fair value and are classified as Level III within the fair value hierarchy. See Note 5 "Fair Value Measurements."

(13) The notes are classified as Level II within the fair value hierarchy and fair value is determined by third party broker quotes.

(14) Carrying value approximates fair value given the fund financing facilities' interest rates are variable.

Revolving Credit Facilities

KCM Credit Agreement

As of March 31, 2018 and December 31, 2017, no amounts were outstanding under the KCM Credit Agreement, however various letters of credit were outstanding in the amount of $47.8 million and $12.3 million , respectively, which reduce the overall capacity of the KCM Credit Agreement.

Notes Issuances

KKR Issued 0.509% Senior Notes Due 2023, 0.764% Senior Notes Due 2025, and 1.595% Senior Notes Due 2038

On March 23, 2018, KKR Group Finance Co. IV LLC ("KKR Group Finance IV"), an indirect subsidiary of KKR & Co. L.P., completed the offering of ¥40.3 billion , or $379.3 million , aggregate principal amount of its (i) ¥25.0 billion , or $235.3 million , 0.509% Senior Notes due 2023 (the "2023 Notes"), (ii) ¥5.0 billion , or $47.1 million , 0.764% Senior Notes due 2025 (the "2025 Notes"), and (iii) ¥10.3 billion , or $96.9 million , 1.595% Senior Notes due 2038 (the "2038 Notes" and, together with the 2023 Notes and the 2025 Notes, the "JPY Notes"). The JPY Notes are guaranteed by KKR & Co. L.P. and KKR Management Holdings L.P., KKR Fund Holdings L.P. and KKR International Holdings L.P., each an indirect subsidiary of KKR & Co. L.P. (collectively with KKR & Co. L.P., the "Guarantors").

The 2023 Notes bear interest at a rate of 0.509% per annum and will mature on March 23, 2023 unless earlier redeemed. The 2025 Notes bear interest at a rate of 0.764% per annum and will mature on March 21, 2025 unless earlier redeemed. The 2038 Notes bear interest at a rate of 1.595% per annum and will mature on March 23, 2038 unless earlier redeemed. Interest on the JPY Notes accrues from March 23, 2018 and is payable semiannually in arrears on March 23 and September 23 of each year, commencing on September 23, 2018 and ending on the applicable maturity date. The JPY Notes are unsecured and unsubordinated obligations of KKR Group Finance IV. The JPY Notes are fully and unconditionally guaranteed, jointly and severally, by each of the Guarantors. The guarantees are unsecured and unsubordinated obligations of the Guarantors.

The indenture, as supplemented by the first supplemental indenture, related to the JPY Notes includes covenants, including limitations on KKR Group Finance IV's and the Guarantors' ability to, subject to exceptions, incur indebtedness secured by liens on voting stock or profit participating equity interests of their subsidiaries or merge, consolidate or sell, transfer or lease assets. The indenture, as supplemented, also provides for events of default and further provides that the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding JPY Notes may declare the JPY Notes immediately due and payable upon the occurrence and during the continuance of any event of default after expiration of any applicable grace period. In the case of specified events of bankruptcy, insolvency, receivership or reorganization, the principal amount of the JPY Notes

and any accrued and unpaid interest on the JPY Notes automatically become due and payable. KKR Group Finance IV may redeem the JPY Notes at its option, in whole but not in part, at a redemption price equal to 100% of the principal amount of the JPY Notes to be redeemed, together with interest accrued and unpaid to, but excluding, the date fixed for redemption, at any time, in the event of certain changes affecting taxation as provided in the JPY Indenture.

KFN Issued 5.200% Notes Due 2033

On February 12, 2018, KFN issued $120.0 million aggregate principal amount of 5.200% Senior Notes due 2033 (the "KFN 2033 Senior Notes"). The KFN 2033 Senior Notes are unsecured and unsubordinated obligations of KFN, which do not provide for recourse to KKR beyond the assets of KFN. The KFN 2033 Senior Notes are not guaranteed by the Guarantors. The KFN 2033 Senior Notes will mature on February 12, 2033, unless earlier redeemed or repurchased. The KFN 2033 Senior Notes bear interest at a rate of 5.200% per annum, accruing from February 12, 2018. Interest is payable semi-annually in arrears on February 12 and August 12 of each year.

The indenture, as supplemented by a first supplemental indenture, relating to the KFN 2033 Senior Notes includes covenants, including (i) limitations on KFN's ability to, subject to exceptions, incur indebtedness secured by liens on voting stock or profit participating equity interests of certain of its subsidiaries or merge, consolidate or sell, transfer or lease assets, (ii) requirements that KFN maintain a minimum Consolidated Net Worth (as defined in the indenture) and (iii) requirements that KFN maintain a minimum Cash and Liquid Investments (as defined in the indenture). The indenture, as supplemented, also provides for events of default and further provides that the trustee or the holders of not less than 25% in aggregate principal amount of the outstanding KFN 2033 Senior Notes may declare the KFN 2033 Senior Notes immediately due and payable upon the occurrence and during the continuance of any event of default after expiration of any applicable grace period. In the case of specified events of bankruptcy, insolvency, receivership or reorganization, the principal amount of the KFN 2033 Senior Notes and any accrued and unpaid interest on the KFN 2033 Senior Notes automatically becomes due and payable.

Beginning on February 12, 2023, KFN may redeem the KFN 2033 Senior Notes in whole, but not in part, at KFN's option, at a redemption price equal to 100% of the outstanding principal amount plus accrued and unpaid interest to, but excluding, the date of redemption. At any time prior to February 12, 2023, KFN may redeem the KFN 2033 Senior Notes in whole, but not in part, at KFN's option at any time, at a "make-whole" redemption price set forth in the KFN 2033 Senior Notes. If a change of control occurs, the KFN 2033 Senior Notes are subject to repurchase by the issuer at a repurchase price in cash equal to 101% of the aggregate principal amount of the KFN 2033 Senior Notes repurchased plus any accrued and unpaid interest on the KFN 2033 Senior Notes repurchased to, but not including, the date of repurchase.

Other Consolidated Debt Obligations

Debt Obligations of Consolidated CFEs

As of March 31, 2018 , debt obligations of consolidated CFEs consisted of the following:

	Borrowing Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Senior Secured Notes of Consolidated CLOs	$ 9,806,031	2.8%	11.8
Subordinated Notes of Consolidated CLOs	307,448	(1)	12.1
Debt Obligations of Consolidated CMBS Vehicles	5,138,167	4.4%	26.4
	$ 15,251,646		

(1) The subordinated notes do not have contractual interest rates but instead receive a pro rata amount of the net distributions from the excess cash flows of the respective CLO vehicle. Accordingly, weighted average borrowing rates for the subordinated notes are based on cash distributions during the period, if any.

Debt obligations of consolidated CFEs are collateralized by assets held by each respective CFE vehicle and assets of one CFE vehicle may not be used to satisfy the liabilities of another. As of March 31, 2018 , the fair value of the consolidated CFE assets was $16.8 billion . This collateral consisted of Cash and Cash Equivalents Held at Consolidated Entities, Investments, and Other Assets.

Debt Covenants

Borrowings of KKR contain various debt covenants. These covenants do not, in management's opinion, materially restrict KKR's operating business or investment strategies as of March 31, 2018 . KKR is in compliance with its debt covenants in all material respects as of March 31, 2018 .

11. INCOME TAXES

The consolidated entities of KKR are generally treated as partnerships or disregarded entities for U.S. and non-U.S. tax purposes. The taxes payable on the income generated by partnerships and disregarded entities are generally paid by the partners who beneficially own such partnerships and disregarded entities and are generally not payable by KKR. However, certain consolidated entities are treated as corporations for U.S. and non-U.S. tax purposes and are therefore subject to U.S. federal, state and/or local income taxes and/or non-U.S. taxes at the entity-level. In addition, certain consolidated entities which are treated as partnerships for U.S. tax purposes are subject to the New York City Unincorporated Business Tax or other local taxes.

The effective tax rates were 2.84% and 4.84% for the three months ended March 31, 2018 and 2017, respectively. The effective tax rate differs from the statutory rate primarily due to the following: (i) a substantial portion of the reported net income (loss) before taxes is not attributable to KKR but rather is attributable to noncontrolling interests held in KKR’s consolidated entities by KKR Holdings or by third parties, (ii) a significant portion of the amount of the reported net income (loss) before taxes attributable to KKR is from certain entities that are not subject to U.S. federal, state or local income taxes and/or non-U.S. taxes, and (iii) certain compensation charges attributable to KKR are not deductible for tax purposes.

On December 22, 2017, the 2017 Tax Act was enacted in the United States, which instituted fundamental changes to the taxation of multinational businesses. During the year ended December 31, 2017, the Company estimated that $96.4 million of deferred tax expense, recorded in connection with the remeasurement of certain deferred tax assets and liabilities at the reduced U.S. federal tax rate, and $1.5 million of expense, net of the reversal of the deferred tax liability related to unremitted foreign earnings, recorded in connection with the transition tax on the mandatory deemed repatriation of foreign earnings was a provisional amount and a reasonable estimate in accordance with Staff Accounting Bulletin 118 ("SAB 118"). As of March 31, 2018, the Company has not completed the accounting for the effects of the 2017 Tax Act and there have been no material changes to our estimated amounts. Accordingly, there has been no change to the provisional amounts previously recorded and there is no impact to the March 31, 2018 effective tax rate for such provisional amounts.

During the three months ended March 31, 2018 , there were no material changes to KKR’s uncertain tax positions and KKR believes there will be no significant increase or decrease to the uncertain tax positions within 12 months of the reporting date.

On May 3, 2018, KKR announced its decision to convert KKR & Co. L.P. from a Delaware limited partnership to a Delaware corporation effective July 1, 2018. See Note 19 "Subsequent Events."

12. EQUITY BASED COMPENSATION

The following table summarizes the expense associated with equity-based and other non-cash compensation for the three months ended March 31, 2018 and 2017 , respectively.

	Three Months Ended March 31,	
	2018	2017
Equity Incentive Plan Units	$ 67,796	$ 49,943
KKR Holdings Principal Awards	27,282	44,979
Total [1]	**$ 95,078**	**$ 94,922**

(1) Includes $4,264 of equity based charges for the three months ended March 31, 2018 related to employees of equity method investees. Such amounts are included in Net Gains (Losses) from Investment Activities in the consolidated statements of operations.

Equity Incentive Plan

Under the Equity Incentive Plan, KKR is permitted to grant equity awards representing ownership interests in KKR & Co. L.P. common units. Vested awards under the Equity Incentive Plan dilute KKR & Co. L.P. common unitholders and KKR Holdings pro rata in accordance with their respective percentage interests in the KKR Group Partnerships.

The total number of common units that may be issued under the Equity Incentive Plan is equivalent to 15% of the number of fully diluted common units outstanding, subject to annual adjustment. Equity awards have been granted under the Equity Incentive Plan and are generally subject to service-based vesting, typically over a three to five year period from the date of grant. In certain cases, these awards are subject to transfer restrictions and/or minimum retained ownership requirements. The transfer restriction period, if applicable, lasts for (i) one year with respect to one-half of the interests vesting on any vesting date and (ii) two years with respect to the other one-half of the interests vesting on such vesting date. While providing services to KKR, if applicable, certain of these awards are also subject to minimum retained ownership rules requiring the award recipient to continuously hold common unit equivalents equal to at least 15% of their cumulatively vested awards that have the minimum retained ownership requirement.

Expense associated with the vesting of these awards is based on the closing price of the KKR & Co. L.P. common units on the date of grant, discounted for the lack of participation rights in the expected distributions on unvested units. Beginning with the financial results reported for the first quarter of 2017, KKR's distribution policy has been to make equal quarterly distributions to common unitholders of $ 0.17 per common unit per quarter or $ 0.68 per year. Therefore, for units granted on or after January 1, 2017, the discount for lack of participation rights in the expected distributions on unvested units was based on the $ 0.68 annual distribution. See Note 19 "Subsequent Events" for update to KKR's distribution policy. KKR has made equal quarterly distributions to holders of its common units of $0 .16 per common unit per quarter or $ 0.64 per year in respect of financial results reported for the first quarter of 2016 through the fourth quarter of 2016. Accordingly, for units granted subsequent to December 31, 2015 but before January 1, 2017, the discount for the lack of participation rights in the expected distributions on unvested units was based on the $0.64 annual distribution. The discount range for awards granted prior to December 31, 2015 was based on management's estimates of future distributions that the unvested equity awards would not be entitled to receive between the grant date and the vesting date which ranged from 8% to 56% .

Expense is recognized on a straight line basis over the life of the award and assumes a forfeiture rate of up to 7% annually based upon expected turnover by class of recipient.

Market Condition Awards

On November 2, 2017, KKR's Co-Presidents and Co-Chief Operating Officers were each granted 2.5 million KKR common units subject to a market-price based vesting condition ("Market Condition Awards"). These units were granted under the Equity Incentive Plan. All of such units will vest upon the market price of KKR common units reaching and maintaining a closing market price of $40 per unit for 10 consecutive trading days on or prior to December 31, 2022, subject to the employee's continued service to the time of such vesting. If the $40 price target is not achieved by the close of business on December 31, 2022, the unvested Market Condition Awards will be automatically canceled and forfeited. These Market Condition Awards are subject to additional transfer restrictions and minimum retained ownership requirements after vesting. Due to the existence of the market condition, the vesting period for the Market Condition Awards is not explicit, and as such, compensation expense will be recognized over the period derived from the valuation technique used to estimate the grant-date fair value of the award (the "Derived Vesting Period").

The fair value of the Market Condition Awards at the date of grant was $4.02 per unit based on a Monte-Carlo simulation valuation model due to the existence of the market condition described above. Below is a summary of the significant assumptions used to estimate the grant date fair value of the Market Condition Awards.

Closing KKR unit price as of valuation date	$19.90
Risk Free Rate	2.02%
Volatility	25.00%
Dividend Yield	3.42%
Expected Cost of Equity	11.02%

In addition, the grant date fair value assumes that holders of the Market Condition Awards will not participate in distributions until such awards have met their vesting requirements.

Compensation expense is recognized over the Derived Vesting Period, which was estimated to be 3 years from the date of grant, on a straight-line basis.

As of March 31, 2018 , there was approximately $17.4 million of estimated unrecognized compensation expense related to unvested Market Condition Awards and such awards did not meet their market-price based vesting condition.

As of March 31, 2018 , there was approximately $492.7 million of total estimated unrecognized expense related to unvested awards, including Market Condition Awards. That cost is expected to be recognized as follows:

Year	Unrecognized Expense (in millions)
Remainder of 2018	164.2
2019	167.8
2020	111.3
2021	38.2
2022	10.3
2023	0.9
Total	**$ 492.7**

A summary of the status of unvested awards granted under the Equity Incentive Plan, excluding Market Condition Awards as described above, from January 1, 2018 through March 31, 2018 is presented below:

	Units	Weighted Average Grant Date Fair Value
Balance, January 1, 2018	46,422,733	$ 14.98
Granted	1,271,656	20.21
Vested	—	—
Forfeitures	(1,092,523)	13.40
Balance, March 31, 2018	**46,601,866**	**$ 15.16**

The weighted average remaining vesting period over which unvested awards are expected to vest is 1.4 years .

A summary of the remaining vesting tranches of awards granted under the Equity Incentive Plan is presented below:

Vesting Date	Units
April 1, 2018	10,254,674
October 1, 2018	5,824,493
April 1, 2019	9,492,030
October 1, 2019	4,425,709
April 1, 2020	6,625,455
October 1, 2020	3,371,704
April 1, 2021	3,378,686
October 1, 2021	1,930,239
April 1, 2022	116,532
October 1, 2022	1,091,172
October 1, 2023	91,172
	46,601,866

KKR Holdings Awards

KKR Holdings units are exchangeable for KKR Group Partnership Units and allow for their exchange into common units of KKR & Co. L.P. on a one -for one basis. As of March 31, 2018 and 2017, KKR Holdings owned approximately 40.5% or 333,648,078 units and 43.5% or 350,909,471 units, respectively, of outstanding KKR Group Partnership Units. Awards for KKR Holdings units that have been granted are generally subject to service based vesting, typically over a three to five year period from the date of grant. They are also generally subject to transfer restrictions which last for (i) one year with respect to one-half of the interests vesting on any vesting date and (ii) two years with respect to the other one-half of the interests vesting on such vesting date. While providing services to KKR, the recipients are also subject to minimum retained ownership rules requiring them to continuously hold 25% of their vested interests. Upon separation from KKR, award recipients are subject to the terms of a confidentiality and restrictive covenants agreement that would require the forfeiture of certain vested and unvested units should the terms of the agreement be violated. Holders of KKR Holdings units are not entitled to participate in distributions made on KKR Group Partnership Units underlying their KKR Holdings units until such units are vested. All of the KKR Holdings units (except for less than 0.1% of the outstanding KKR Holdings units) have been granted as of March 31, 2018 .

The fair value of awards granted out of KKR Holdings is generally based on the closing price of KKR & Co. L.P. common units on the date of grant. KKR determined this to be the best evidence of fair value as a KKR & Co. L.P. common unit is traded in an active market and has an observable market price. Additionally, a KKR Holdings unit is an instrument with terms and conditions similar to those of a KKR & Co. L.P. common unit. Specifically, units in both KKR Holdings and KKR & Co. L.P. represent ownership interests in KKR Group Partnership Units and, subject to any vesting, minimum retained ownership requirements and transfer restrictions, each KKR Holdings unit is exchangeable into a KKR Group Partnership Unit and then into a KKR & Co. L.P. common unit on a one -for-one basis.

Notes to Condensed Consolidated Financial Statements (Continued)

In February 2016, approximately 28.9 million KKR Holdings units were granted that were originally subject to market condition and service-based vesting that were subsequently modified in November 2016 to eliminate the market condition vesting and instead require only service-based vesting in equal annual installments over a five year period. At the date of modification, total future compensation expense amounted to $320.9 million , net of estimated forfeitures, to be recognized over the remaining vesting period of the modified awards.

The awards described above were granted from outstanding but previously unallocated units of KKR Holdings, and consequently these grants did not increase the number of KKR Holdings units outstanding or outstanding KKR common units on a fully-diluted basis. If and when vested, these awards will not dilute KKR's respective ownership interests in the KKR Group Partnerships.

KKR Holdings Awards give rise to equity-based compensation in the consolidated statements of operations based on the grant-date fair value of the award discounted for the lack of participation rights in the expected distributions on unvested units. Beginning with the financial results reported for the first quarter of 2017, KKR's distribution policy has been to make quarterly distributions to common unitholders of $ 0.17 per common unit per quarter or $ 0.68 per year. Therefore, for awards granted on or after January 1, 2017, the discount for lack of participation rights in the expected distributions on unvested units is based on the $ 0.68 annual distribution. See Note 19 "Subsequent Events" for update to KKR's distribution policy. KKR has made equal quarterly distributions to holders of its common units of $0.16 per common unit per quarter or $0.64 per year in respect of financial results reported for the first quarter of 2016 through the fourth quarter of 2016. Accordingly, for awards granted subsequent to December 31, 2015 but before January 1, 2017, the discount for the lack of participation rights in the expected distributions on unvested units was based on the $0.64 annual distribution.

Expense is recognized on a straight line basis over the life of the award and assumes a forfeiture rate of up to 7% annually based on expected turnover by class of recipient.

As of March 31, 2018 , there was approximately $332.7 million of estimated unrecognized expense related to unvested KKR Holdings awards. That cost is expected to be recognized as follows:

Year	Unrecognized Expense (in millions)
Remainder of 2018	$ 75.2
2019	96.5
2020	88.3
2021	47.5
2022	25.2
Total	**$ 332.7**

A summary of the status of unvested awards granted under the KKR Holdings Plan from January 1, 2018 through March 31, 2018 is presented below:

	Units	Weighted Average Grant Date Fair Value
Balance, January 1, 2018	30,848,583	$ 14.42
Granted	—	—
Vested	—	—
Forfeitures	—	—
Balance, March 31, 2018	**30,848,583**	**$ 14.42**

The weighted average remaining vesting period over which unvested awards are expected to vest is 2.2 years.

A summary of the remaining vesting tranches of awards granted under the KKR Holdings Plan is presented below:

Vesting Date	Units
April 1, 2018	574,590
May 1, 2018	3,805,000
October 1, 2018	1,970,000
April 1, 2019	229,514
May 1, 2019	3,805,000
October 1, 2019	2,455,000
April 1, 2020	124,479
May 1, 2020	3,805,000
October 1, 2020	2,940,000
May 1, 2021	3,805,000
October 1, 2021	3,425,000
October 1, 2022	3,910,000
	30,848,583

13. RELATED PARTY TRANSACTIONS

Due from Affiliates consists of:

	March 31, 2018	December 31, 2017
Amounts due from portfolio companies	$ 139,158	$ 129,594
Amounts due from unconsolidated investment funds	414,133	415,907
Amounts due from related entities	12,390	8,848
Due from Affiliates	**$ 565,681**	**$ 554,349**

Due to Affiliates consists of:

	March 31, 2018	December 31, 2017
Amounts due to KKR Holdings in connection with the tax receivable agreement	$ 83,710	$ 84,034
Amounts due to unconsolidated investment funds	181,480	239,776
Due to Affiliates	**$ 265,190**	**$ 323,810**

14. SEGMENT REPORTING

KKR operates through four reportable business segments. These segments, which are differentiated primarily by their business objectives and investment strategies, are presented below. These financial results represent the combined financial results of the KKR Group Partnerships on a segment basis. KKR earns the majority of its fees from subsidiaries located in the United States.

Private Markets

Through KKR's Private Markets segment, KKR manages and sponsors private equity funds and co-investment vehicles, which invest capital for long-term appreciation, either through controlling ownership of a company or strategic minority positions. KKR also manages and sponsors investment funds and co-investment vehicles that invest capital in real assets, such as infrastructure, energy and real estate.

Public Markets

KKR operates and reports its combined credit and hedge funds businesses through the Public Markets segment. KKR's credit business invests capital in leveraged credit strategies, including leveraged loans, high-yield bonds, opportunistic credit and revolving credit strategies, and alternative credit strategies including special situations and private credit opportunities, such as direct lending and private opportunistic credit investment strategies. KKR's hedge funds business consists of strategic manager partnerships with third-party hedge fund managers in which KKR owns a minority stake.

Capital Markets

KKR's capital markets business supports the firm, portfolio companies, and third-party clients by developing and implementing both traditional and non-traditional capital solutions for investments or companies seeking financing. These services include arranging debt and equity financing, placing and underwriting securities offerings and providing other types of capital markets services.

Principal Activities

Through KKR's Principal Activities segment, KKR manages the firm's assets and deploy capital to support and grow its businesses.

KKR's Principal Activities segment uses its balance sheet assets to support KKR's investment management and capital markets businesses, including to make capital commitments as general partner to its funds, to seed new businesses or investments for new funds or to bridge capital selectively for its funds' investments.

The Principal Activities segment also provides the required capital to fund the various commitments of KKR's Capital Markets business or to meet regulatory capital requirements.

Economic Net Income ("ENI")

ENI is a measure of profitability for KKR's reportable segments and is an alternative measurement of the operating and investment earnings of KKR and its business segments. ENI is comprised of total segment revenues; less total segment expenses and segment noncontrolling interests. The reportable segments for KKR's business are presented prior to giving effect to the allocation of income (loss) between KKR & Co. L.P. and KKR Holdings and as such represents the business in total. In addition, KKR's reportable segments are presented without giving effect to the consolidation of the funds that KKR manages.

Notes to Condensed Consolidated Financial Statements (Continued)

The following tables present the financial data for KKR's reportable segments:

	As of and for the Three Months Ended March 31, 2018				
	Private Markets	Public Markets	Capital Markets	Principal Activities	Total Reportable Segments
Segment Revenues					
Management, Monitoring and Transaction Fees, Net					
Management Fees	$ 158,190	$ 93,395	$ —	$ —	$ 251,585
Monitoring Fees	17,530	—	—	—	17,530
Transaction Fees	46,689	2,558	107,598	—	156,845
Fee Credits	(41,343)	(2,431)	—	—	(43,774)
Total Management, Monitoring and Transaction Fees, Net	181,066	93,522	107,598	—	382,186
Performance Income (Loss)					
Realized Incentive Fees	—	16,407	—	—	16,407
Realized Carried Interest	202,555	—	—	—	202,555
Unrealized Carried Interest	(141,240)	29,508	—	—	(111,732)
Total Performance Income (Loss)	61,315	45,915	—	—	107,230
Investment Income (Loss)					
Net Realized Gains (Losses)	—	—	—	7,875	7,875
Net Unrealized Gains (Losses)	—	—	—	207,862	207,862
Total Realized and Unrealized	—	—	—	215,737	215,737
Interest Income and Dividends	—	—	—	72,577	72,577
Interest Expense	—	—	—	(50,192)	(50,192)
Net Interest and Dividends	—	—	—	22,385	22,385
Total Investment Income (Loss)	—	—	—	238,122	238,122
Total Segment Revenues	242,381	139,437	107,598	238,122	727,538
Segment Expenses					
Compensation and Benefits					
Cash Compensation and Benefits	59,719	22,714	21,457	34,640	138,530
Realized Performance Income Compensation	87,099	7,055	—	—	94,154
Unrealized Performance Income Compensation	(55,379)	12,256	—	—	(43,123)
Total Compensation and Benefits	91,439	42,025	21,457	34,640	189,561
Occupancy and Related Charges	7,876	1,608	744	3,355	13,583
Other Operating Expenses	28,302	9,587	6,749	13,267	57,905
Total Segment Expenses	127,617	53,220	28,950	51,262	261,049
Income (Loss) attributable to noncontrolling interests	—	—	1,203	—	1,203
Economic Net Income (Loss)	**$ 114,764**	**$ 86,217**	**$ 77,445**	**$ 186,860**	**$ 465,286**
Total Assets	**$ 2,203,895**	**$ 1,642,038**	**$ 550,429**	**$ 11,847,241**	**$ 16,243,603**

Notes to Condensed Consolidated Financial Statements (Continued)

	As of and for the Three Months Ended March 31, 2017				
	Private Markets	Public Markets	Capital Markets	Principal Activities	Total Reportable Segments
Segment Revenues					
Management, Monitoring and Transaction Fees, Net					
Management Fees	$ 123,512	$ 84,772	$ —	$ —	$ 208,284
Monitoring Fees	13,220	—	—	—	13,220
Transaction Fees	117,882	4,056	121,097	—	243,035
Fee Credits	(85,650)	(3,367)	—	—	(89,017)
Total Management, Monitoring and Transaction Fees, Net	168,964	85,461	121,097	—	375,522
Performance Income (Loss)					
Realized Incentive Fees	—	1,686	—	—	1,686
Realized Carried Interest	206,204	—	—	—	206,204
Unrealized Carried Interest	123,506	17,120	—	—	140,626
Total Performance Income (Loss)	329,710	18,806	—	—	348,516
Investment Income (Loss)					
Net Realized Gains (Losses)	—	—	—	79,451	79,451
Net Unrealized Gains (Losses)	—	—	—	204,036	204,036
Total Realized and Unrealized	—	—	—	283,487	283,487
Interest Income and Dividends	—	—	—	56,882	56,882
Interest Expense	—	—	—	(41,709)	(41,709)
Net Interest and Dividends	—	—	—	15,173	15,173
Total Investment Income (Loss)	—	—	—	298,660	298,660
Total Segment Revenues	498,674	104,267	121,097	298,660	1,022,698
Segment Expenses					
Compensation and Benefits					
Cash Compensation and Benefits	60,008	19,784	22,561	37,082	139,435
Realized Performance Income Compensation	87,393	674	—	—	88,067
Unrealized Performance Income Compensation	50,366	6,848	—	—	57,214
Total Compensation and Benefits	197,767	27,306	22,561	37,082	284,716
Occupancy and Related Charges	8,107	1,856	664	3,742	14,369
Other Operating Expenses	26,887	8,338	5,328	12,945	53,498
Total Segment Expenses	232,761	37,500	28,553	53,769	352,583
Income (Loss) attributable to noncontrolling interests	—	—	1,584	—	1,584
Economic Net Income (Loss)	**$ 265,913**	**$ 66,767**	**$ 90,960**	**$ 244,891**	**$ 668,531**
Total Assets	**$ 1,815,404**	**$ 1,191,199**	**$ 573,162**	**$ 10,758,695**	**$ 14,338,460**

Notes to Condensed Consolidated Financial Statements (Continued)

The following tables reconcile the most directly comparable financial measures calculated and presented in accordance with GAAP to KKR's total reportable segments:

Revenues

	Three Months Ended	
	March 31, 2018	**March 31, 2017**
Total Revenues	$ 472,606	$ 767,755
Plus: Management fees relating to consolidated funds and placement fees	63,858	47,102
Less: Fee credits relating to consolidated funds	14,721	939
Plus: Net realized and unrealized carried interest - consolidated funds	28,076	11,057
Less: General partner capital interest - unconsolidated funds	15,465	51,803
Plus: Total investment income (loss)	238,122	298,660
Less: Revenue earned by oil & gas producing entities	14,507	17,273
Less: Expense reimbursements	20,211	23,549
Less: Other	10,220	8,312
Total Segment Revenues	**$ 727,538**	**$ 1,022,698**

Expenses

	Three Months Ended	
	March 31, 2018	**March 31, 2017**
Total Expenses	$ 436,601	$ 540,014
Less: Equity-based and other non-cash compensation	96,227	111,036
Less: Reimbursable expenses and placement fees	27,761	36,123
Less: Operating expenses relating to consolidated funds, CFEs and other entities	21,805	13,430
Less: Expenses incurred by oil & gas producing entities	11,101	11,177
Less: Intangible amortization	5,030	6,366
Less: Other	13,628	9,299
Total Segment Expenses	**$ 261,049**	**$ 352,583**

Net Income (Loss) Attributable to KKR & Co. L.P. Common Unitholders

	Three Months Ended	
	March 31, 2018	**March 31, 2017**
Net Income (Loss) Attributable to KKR & Co. L.P. Common Unitholders	$ 170,102	$ 259,343
Plus: Preferred Distributions	8,341	8,341
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	121,002	216,432
Plus: Equity-based and other non-cash compensation	100,491	111,036
Plus: Amortization of intangibles, placement fees and other, net [(1)]	47,709	32,837
Plus: Income tax (benefit)	17,641	40,542
Economic Net Income (Loss)	**$ 465,286**	**$ 668,531**

(1) Other primarily represents the statement of operations impact of the accounting convention differences for (i) direct interests in oil & natural gas properties outside of investment funds and (ii) certain interests in consolidated CLOs and other entities. On a segment basis, direct interests in oil & natural gas properties outside of investment funds are carried at fair value with changes in fair value recorded in Economic Net Income (Loss) and certain interests in consolidated CLOs and other entities are carried at cost. See Note 2 "Summary of Significant Accounting Policies" for the GAAP accounting for these direct interests in oil and natural gas producing properties outside investment funds and interests in consolidated CLOs and other entities.

The items that reconcile KKR's total reportable segments to the corresponding consolidated amounts calculated and presented in accordance with GAAP for net income (loss) attributable to redeemable noncontrolling interests and income (loss) attributable to noncontrolling interests are primarily attributable to the impact of KKR Holdings L.P., KKR's consolidated funds and certain other entities.

Assets

	As of March 31,	
	2018	**2017**
Total Assets	$ 47,579,153	$ 41,635,712
Less: Impact of consolidation of funds and other entities [1]	29,972,064	25,963,256
Less: Carry pool reclassification from liabilities	1,176,070	1,035,671
Less: Impact of KKR Management Holdings Corp.	187,416	298,325
Total Segment Assets	**$ 16,243,603**	**$ 14,338,460**

[1] Includes accounting basis difference for oil & natural gas properties of $10,738 and $7,700 as of March 31, 2018 and 2017, respectively.

15. EQUITY

Transfer of Interests Under Common Control and Other

On March 30, 2017, KKR reorganized KKR's Indian capital markets and credit asset management businesses, to create KKR India Financial Investments Pte. Ltd. ("KIFL"). This reorganization transaction was accounted for as a transfer of interests under common control, and the difference between KKR's carrying value before and after the transaction was treated as a reallocation of equity interests. No gain or loss was recognized in the condensed consolidated financial statements.

On November 24, 2017, KIFL issued equity to an unaffiliated third-party. This transaction was accounted for as a subsidiary's direct issuance of its equity to third-parties, and the difference between KKR's carrying value before and after the transaction was treated as a reallocation of equity interests. No gain or loss was recognized in the condensed consolidated financial statements.

Both transactions above resulted in an increase to KKR's equity and to noncontrolling interests held by KKR Holdings.

Unit Repurchase Program

As of March 31, 2018, KKR had a total of $750.0 million authorized to repurchase its common units. Through May 7, 2018, KKR has utilized $459.0 million to repurchase 31.7 million common units. See Note 19 "Subsequent Events."

Under this common unit repurchase program, common units may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing, manner, price and amount of any unit repurchases will be determined by KKR in its discretion and will depend on a variety of factors, including legal requirements, price and economic and market conditions. KKR expects that the program, which has no expiration date, will be in effect until the maximum approved dollar amount has been used to repurchase common units. The program does not require KKR to repurchase any specific number of common units, and the program may be suspended, extended, modified or discontinued at any time. There were no common units repurchased pursuant to this program during the three months ended March 31, 2018 and 2017.

Distribution Policy

Under KKR's distribution policy for its common units, KKR intends to make equal quarterly distributions to holders of its common units in an amount of $0.17 per common unit per quarter. The declaration and payment of any distributions are subject to the discretion of the board of directors of the general partner of KKR and the terms of its limited partnership agreement. There can be no assurance that distributions will be made as intended or at all, that unitholders will receive sufficient distributions to satisfy payment of their tax liabilities as limited partners of KKR or that any particular distribution policy will be maintained. See Note 19 "Subsequent Events."

16. GOODWILL AND INTANGIBLE ASSETS

Goodwill

As of March 31, 2018 and December 31, 2017 , the carrying value of goodwill was $83.5 million . The carrying value of goodwill allocated to the Public Markets and Principal Activities segments is $53.5 million and $30.0 million , respectively, as of March 31, 2018 and December 31, 2017 . Goodwill is recorded in Other Assets in the condensed consolidated statements of financial condition. All of the goodwill is currently expected to be deductible for tax purposes. See Note 8 "Other Assets and Accounts Payable, Accrued Expenses and Other Liabilities."

Intangible Assets

Intangible Assets, Net consists of the following:

	March 31, 2018	December 31, 2017
Finite-Lived Intangible Assets	$ 191,526	$ 190,526
Accumulated Amortization	(67,012)	(61,348)
Intangible Assets, Net	**$ 124,514**	**$ 129,178**

Changes in Intangible Assets, Net consists of the following:

	Three Months Ended
	March 31, 2018
Balance, Beginning of Period	$ 129,178
Amortization Expense	(5,030)
Foreign Exchange	366
Balance, End of Period	**$ 124,514**

17. COMMITMENTS AND CONTINGENCIES

Funding Commitments

As of March 31, 2018 , KKR had unfunded commitments consisting of $5,720.8 million to its active private equity and other investment vehicles. In addition to the uncalled commitments to KKR's investment funds, KKR has entered into contractual commitments with respect to (i) the purchase of investments and other assets in its Principal Activities segment, and (ii) underwriting transactions, debt financing, and syndications in KKR's Capital Markets segment. As of March 31, 2018 , these commitments amounted to $275.1 million and $1,114.1 million , respectively. Whether these amounts are actually funded, in whole or in part, depends on the contractual terms of such commitments, including the satisfaction or waiver of any conditions to closing or funding. The unfunded commitments shown for KKR's Capital Markets segment are shown without reflecting arrangements that may reduce the actual amount of contractual commitments shown; KKR's capital market business has an arrangement with a third party, which reduces its risk when underwriting certain debt transactions. In the case of purchases of investments or assets in its Principal Activities segment, the amount to be funded includes amounts that are intended to be syndicated to third parties, and the actual amounts to be funded may be less than shown.

Contingent Repayment Guarantees

The partnership documents governing KKR's carry-paying funds, including funds relating to private equity, infrastructure, energy, real estate, mezzanine, direct lending and special situations investments, generally include a "clawback" provision that, if triggered, may give rise to a contingent obligation requiring the general partner to return amounts to the fund for distribution to the fund investors at the end of the life of the fund. Under a clawback obligation, upon the liquidation of a fund, the general partner is required to return, typically on an after-tax basis, previously distributed carry to the extent that, due to the diminished performance of later investments, the aggregate amount of carry distributions received by the general partner during the term of the fund exceed the amount to which the general partner was ultimately entitled, including the effects of any performance thresholds. Excluding carried interest received by the general partners of funds that were not contributed to KKR in the acquisition of the assets and liabilities of KKR & Co. (Guernsey) L.P. (formerly known as KKR Private Equity Investors, L.P.) on October 1, 2009 (the "KPE Transaction"), as of March 31, 2018 , $12.6 million of carried interest was subject to this clawback obligation, assuming that all applicable carry-paying funds were liquidated at their March 31, 2018 fair values. Had the investments in such funds been liquidated at zero value, the clawback obligation would have been approximately $1.8 billion . Carried interest is recognized in the condensed consolidated statements of operations based on the contractual conditions set forth in the agreements governing the fund as if the fund were terminated and liquidated at the reporting date and the fund's investments were realized at the then estimated fair values. Amounts earned pursuant to carried interest are earned by the general partner of those funds to the extent that cumulative investment returns are positive and where applicable, preferred return thresholds have been met. If these investment amounts earned decrease or turn negative in subsequent periods, recognized carried interest will be reversed and to the extent that the aggregate amount of carry distributions received by the general partner during the term of the fund exceed the amount to which the general partner was ultimately entitled, a clawback obligation would be recorded. For funds that are consolidated, this clawback obligation, if any, is reflected as an increase in noncontrolling interests in the condensed consolidated statements of financial condition. For funds that are not consolidated, this clawback obligation, if any, is reflected as a reduction of KKR's investment balance as this is where carried interest is initially recorded.

Indemnifications and Other Guarantees

KKR may incur contingent liabilities for claims that may be made against it in the future. KKR enters into contracts that contain a variety of representations, warranties and covenants, including indemnifications. For example, certain of KKR's investment funds and KFN have provided certain indemnities relating to environmental and other matters and have provided nonrecourse carve-out guarantees for fraud, willful misconduct and other customary wrongful acts, each in connection with the financing of certain real estate investments that KKR has made. In addition, KKR has also provided credit support to certain of its subsidiaries' obligations in connection with a limited number of investment vehicles that KKR manages. For example, KKR has guaranteed the obligations of a general partner to post collateral on behalf of its investment vehicle in connection with such vehicle's derivative transactions, and KKR has also agreed to be liable for certain investment losses and/or for providing liquidity in the events specified in the governing documents of other investment vehicles. KKR has also provided credit support regarding repayment obligations to third-party lenders to certain of its employees, excluding its executive officers, in connection with their personal investments in KKR investment funds and to a strategic partner regarding the ownership of its business. KKR also may become liable for certain fees payable to sellers of businesses or assets if a transaction does not close, subject to certain conditions, if any, specified in the acquisition agreements for such businesses or assets. KKR's maximum exposure under these arrangements is currently unknown and KKR's liabilities for these matters would require a claim to be made against KKR in the future.

Litigation

From time to time, KKR is involved in various legal proceedings, lawsuits and claims incidental to the conduct of KKR's business. KKR's business is also subject to extensive regulation, which may result in regulatory proceedings against it.

In December 2017, KKR & Co. L.P. and its Co-Chief Executive Officers were named as defendants in a lawsuit pending in Kentucky state court alleging, among other things, the violation of fiduciary and other duties in connection with certain separately managed accounts that Prisma Capital Partners LP, a former subsidiary of KKR, manages for the Kentucky Retirement Systems. Also named as defendants in the lawsuit are certain current and former trustees and officers of the Kentucky Retirement Systems, Prisma Capital Partners LP, and various other service providers to the Kentucky Retirement Systems and their related persons.

KKR currently is and expects to continue to become, from time to time, subject to examinations, inquiries and investigations by various U.S. and non U.S. governmental and regulatory agencies, including but not limited to the SEC, Department of Justice, state attorney generals, Financial Industry Regulatory Authority, or FINRA, and the U.K. Financial Conduct Authority. Such examinations, inquiries and investigations may result in the commencement of civil, criminal or administrative proceedings against KKR or its personnel.

Moreover, in the ordinary course of business, KKR is and can be both the defendant and the plaintiff in numerous lawsuits with respect to acquisitions, bankruptcy, insolvency and other types of proceedings. Such lawsuits may involve claims that adversely affect the value of certain investments owned by KKR's funds.

KKR establishes an accrued liability for legal proceedings only when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. No loss contingency is recorded for matters where such losses are either not probable or reasonably estimable (or both) at the time of determination. Such matters may be subject to many uncertainties, including among others (i) the proceedings may be in early stages; (ii) damages sought may be unspecified, unsupportable, unexplained or uncertain; (iii) discovery may not have been started or is incomplete; (iv) there may be uncertainty as to the outcome of pending appeals or motions; (v) there may be significant factual issues to be resolved; or (vi) there may be novel legal issues or unsettled legal theories to be presented or a large number of parties. Consequently, management is unable to estimate a range of potential loss, if any, related to these matters. In addition, loss contingencies may be, in part or in whole, subject to insurance or other payments such as contributions and/or indemnity, which may reduce any ultimate loss.

It is not possible to predict the ultimate outcome of all pending legal proceedings, and some of the matters discussed above seek or may seek potentially large and/or indeterminate amounts. As of such date, based on information known by management, management has not concluded that the final resolutions of the matters above will have a material effect upon the financial statements. However, given the potentially large and/or indeterminate amounts sought or may be sought in certain of these matters and the inherent unpredictability of investigations and litigations, it is possible that an adverse outcome in certain matters could, from time to time, have a material effect on KKR's financial results in any particular period.

18. REGULATORY CAPITAL REQUIREMENTS

KKR has registered broker-dealer subsidiaries which are subject to the minimum net capital requirements of the SEC and the FINRA. Additionally, KKR entities based in London and Dublin are subject to the regulatory capital requirements of the U.K. Financial Conduct Authority and the Central Bank of Ireland, respectively. In addition, KKR has an entity based in Hong Kong which is subject to the capital requirements of the Hong Kong Securities and Futures Ordinance, an entity based in Tokyo subject to the capital requirements of Financial Services Authority of Japan, and two entities based in Mumbai which are subject to capital requirements of the Reserve Bank of India and the Securities and Exchange Board of India. All of these entities have continuously operated in excess of their respective minimum regulatory capital requirements.

The regulatory capital requirements referred to above may restrict KKR's ability to withdraw capital from its registered broker-dealer entities. At March 31, 2018 , approximately $180.1 million of cash at KKR's registered broker-dealer entities may be restricted as to the payment of cash dividends and advances to KKR.

19. SUBSEQUENT EVENTS

Common Unit Distribution

A distribution of $0.17 per KKR & Co. L.P. common unit was announced on May 3, 2018 , and will be paid on May 29, 2018 to common unitholders of record as of the close of business on May 14, 2018 . KKR Holdings will receive its pro rata share of the distribution from the KKR Group Partnerships.

Preferred Unit Distributions

A distribution of $0.421875 per Series A Preferred Unit has been declared as announced on May 3, 2018 and set aside for payment on June 15, 2018 to holders of record of Series A Preferred Units as of the close of business on June 1, 2018 .

A distribution of $0.406250 per Series B Preferred Unit has been declared as announced on May 3, 2018 and set aside for payment on June 15, 2018 to holders of record of Series B Preferred Units as of the close of business on June 1, 2018 .

Conversion to a Corporation

On May 3, 2018, KKR announced its decision to convert KKR & Co. L.P. (the "Conversion") from a Delaware limited partnership to a Delaware corporation named KKR & Co. Inc., to become effective at 12:01 a.m. (Eastern Time) on July 1, 2018.

Distribution Policy

KKR's distribution policy as a limited partnership has been to pay annual aggregate distributions to holders of our common units of $0.68 per common unit, and KKR has announced that it anticipates that its dividend policy as a corporation will be to pay dividends to holders of our Class A common stock in an initial annual aggregate amount of $0.50 per share, in each case, subject to the discretion of KKR's board of directors and compliance with applicable law. For U.S. federal income tax purposes, any dividends KKR pays following the Conversion (including dividends on KKR's preferred shares) generally will be treated as qualified dividend income (generally taxable to U.S. individual stockholders at capital gain rates) paid by a domestic corporation to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes.

Unit Repurchase Program

On May 3, 2018, KKR announced an increase to the available amount under its repurchase program to $500 million, which may be used for the repurchase of its common units or, after the Conversion, Class A common stock, and the cancellation (by cash settlement or the payment of tax withholding amounts upon net settlement) of equity awards issued pursuant to our Equity Incentive Plan (and any successor equity plan thereto) representing the right to receive its common units or Class A common stock. Prior to this increase, there was approximately $291 million remaining under the program.

Strategic BDC Partnership with FS Investments

On December 11, 2017, KKR announced a definitive agreement to form a new strategic BDC partnership with FS Investment Corporation. This transaction was completed through a combination of cash and other assets on April 9, 2018.

CMBS Sale

In April 2018, a consolidated entity of KKR sold its controlling beneficial interest in four consolidated CMBS vehicles. As a result of this sale, KKR expects to deconsolidate these CMBS vehicles in the second quarter of 2018, resulting in a reduction in investments and debt obligations of approximately $4.1 billion and $4.0 billion , respectively. Subsequent to this sale, KKR will continue to consolidate one CMBS vehicle.

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 unaudited condensed consolidated financial statements of KKR & Co. L.P., together with its consolidated subsidiaries, and the related notes included elsewhere in this report and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 23,
2018 (our "Annual Report"), including the audited consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein. The historical condensed consolidated financial data discussed below reflects the historical results and financial position of KKR. In addition, this discussion and analysis contains forward looking statements and involves numerous risks and uncertainties, including those described under "Cautionary Note Regarding Forward-looking Statements" and "Risk Factors" in this report, our Annual Report and other quarterly reports. Actual results may differ materially from those contained in any forward looking statements.

Overview

We are a leading global investment firm that manages multiple alternative asset classes including private equity, energy, infrastructure, real estate and credit, with strategic manager partnerships that manage hedge funds. We aim to generate attractive investment returns for our fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with our portfolio companies. We invest our own capital alongside the capital we manage for fund investors and provide financing solutions and investment opportunities through our capital markets business.

Our business offers a broad range of investment management services to our fund investors and provides capital markets services to our firm, our portfolio companies and third parties. Throughout our history, we have consistently been a leader in the private equity industry, having completed more than 325 private equity investments in portfolio companies with a total transaction value in excess of $560 billion as of March 31, 2018 . We have grown our firm by expanding our geographical presence and building businesses in areas such as leveraged credit, alternative credit, capital markets, infrastructure, energy, real estate, growth equity and core investments. Our balance sheet has provided a significant source of capital in the growth and expansion of our business, and has allowed us to further align our interests with those of our fund investors. Building on these efforts and leveraging our industry expertise and intellectual capital has allowed us to capitalize on a broader range of the opportunities we source. Additionally, we have increased our focus on meeting the needs of our existing fund investors and in developing relationships with new investors in our funds.

We conduct our business with offices throughout the world, providing us with a pre-eminent global platform for sourcing transactions, raising capital and carrying out capital markets activities. Our growth has been driven by value that we have created through our operationally focused investment approach, the expansion of our existing businesses, our entry into new lines of business, innovation in the products that we offer investors in our funds, an increased focus on providing tailored solutions to our clients and the integration of capital markets distribution activities.

As a global investment firm, we earn management, monitoring, transaction and incentive fees and carried interest for providing investment management, monitoring and other services to our funds, vehicles, CLOs, managed accounts and portfolio companies, and we generate transaction-specific income from capital markets transactions. We earn additional investment income from investing our own capital alongside that of our fund investors, from other assets on our balance sheet and from the carried interest we receive from our funds and certain of our other investment vehicles. A carried interest entitles the sponsor of a fund to a specified percentage of investment gains that are generated on third-party capital that is invested.

Our investment teams have deep industry knowledge and are supported by a substantial and diversified capital base, an integrated global investment platform, the expertise of operating consultants, senior advisors and other advisors and a worldwide network of business relationships that provide a significant source of investment opportunities, specialized knowledge during due diligence and substantial resources for creating and realizing value for stakeholders. These teams invest capital, a substantial portion of which is of a long duration and not subject to redemption. As of March 31, 2018 , approximately 76% of our fee paying assets under management are not subject to redemption for at least 8 years from inception, providing us with significant flexibility to grow investments and select exit opportunities. We believe that these aspects of our business will help us continue to expand and grow our business and deliver strong investment performance in a variety of economic and financial conditions.

Recent Developments

Strategic BDC Partnership with FS Investments

On December 11, 2017, KKR announced a definitive agreement to form a new strategic BDC partnership with FS Investment Corporation ("FS Investments") to provide investment advisory services to Corporate Capital Trust ("CCT") and Corporate Capital Trust II ("CCT II"), which were business development companies ("BDCs") previously advised and sub-advised, respectively, by us, and four BDCs that were previously sponsored by FS Investments. This transaction was completed through a combination of cash and other assets on April 9, 2018. Following the closing of this transaction, the new strategic BDC partnership, FS/KKR Advisor, LLC, began serving as the investment adviser to all six of the aforementioned BDCs.

Our Conversion to a Corporation

On May 3, 2018, we announced our decision to convert KKR & Co. L.P. (the "Conversion") from a Delaware limited partnership to a Delaware corporation named KKR & Co. Inc., to become effective at 12:01 a.m. (Eastern Time) on July 1, 2018. See "Part II. Item 5. Other Information" for further information about the Conversion. See also "Part II. Item 1A. Risk Factors."

Business Segments

Private Markets

Through our Private Markets segment, we manage and sponsor a group of private equity funds that invest capital for long-term appreciation, either through controlling ownership of a company or strategic minority positions. In addition to our traditional private equity funds, we sponsor investment funds that invest in growth equity and core equity investments. We also manage and sponsor investment funds that invest capital in real assets, such as infrastructure, energy and real estate. Our Private Markets segment includes separately managed accounts that invest in multiple strategies, which may include our credit strategies as well as our private equity and real assets strategies. These funds and accounts are managed by Kohlberg Kravis Roberts & Co. L.P., an SEC-registered investment adviser. As of March 31, 2018 , the segment had $102.2 billion of AUM and FPAUM of $61.5 billion , consisting of $46.2 billion in private equity (including growth equity and core investments) and $15.3 billion in real assets (including infrastructure, energy and real estate) and other related strategies.

The table below presents information as of March 31, 2018 relating to our current private equity, growth equity and real asset funds and other investment vehicles for which we have the ability to earn carried interest. This data does not reflect acquisitions or disposals of investments, changes in investment values or distributions occurring after March 31, 2018 .

	Investment Period [1]		Amount ($ in millions)						
	Start Date	End Date	Commitment [2]	Uncalled Commitments	Percentage Committed by General Partner	Invested	Realized	Remaining Cost [3]	Remaining Fair Value
Private Markets									
Private Equity and Growth Equity									
Asian Fund III [4]	4/2017	4/2023	$ 9,000.0	$ 8,373.6	5.6%	$ 626.4	$ —	$ 626.4	$ 588.9
Americas Fund XII [4]	1/2017	1/2023	13,500.0	11,962.0	6.0%	1,538.0	—	1,538.0	1,641.0
Health Care Strategic Growth Fund [4]	12/2016	12/2021	1,331.0	1,284.2	11.3%	46.8	—	46.8	43.3
Next Generation Technology Growth Fund [4]	3/2016	3/2021	658.9	414.4	22.5%	244.5	—	244.5	385.8
European Fund IV [4]	12/2014	12/2020	3,539.2	1,373.2	5.6%	2,276.2	85.1	2,199.5	3,414.0
Asian Fund II [4]	4/2013	4/2017	5,825.0	889.5	1.3%	5,936.7	2,009.2	4,631.7	7,006.3
North America Fund XI [4]	9/2012	1/2017	8,718.4	874.2	2.9%	9,274.4	5,345.9	6,478.7	11,809.8
China Growth Fund	11/2010	11/2016	1,010.0	—	1.0%	1,010.0	600.5	636.3	741.2
European Fund III	3/2008	3/2014	6,167.6	840.2	4.6%	5,327.4	8,368.0	1,212.6	2,303.2
Asian Fund	7/2007	4/2013	3,983.3	—	2.5%	3,945.9	8,192.1	361.3	477.1
2006 Fund	9/2006	9/2012	17,642.2	337.7	2.1%	17,304.5	28,235.1	4,190.3	5,219.0
European Fund II	11/2005	10/2008	5,750.8	—	2.1%	5,750.8	8,469.8	—	57.7
Millennium Fund	12/2002	12/2008	6,000.0	—	2.5%	6,000.0	13,305.4	444.9	815.4
Private Equity and Growth Equity			83,126.4	26,349.0		59,281.6	74,611.1	22,611.0	34,502.7
Co-Investment Vehicles and Other [4]	Various	Various	6,128.7	1,656.9	Various	4,664.6	2,938.3	3,227.5	4,620.5
Total Private Equity and Growth Equity			89,255.1	28,005.9		63,946.2	77,549.4	25,838.5	39,123.2
Real Assets									
Energy Income and Growth Fund [4]	9/2013	9/2018	1,974.2	292.9	12.9%	1,714.2	326.6	1,412.8	1,546.9
Natural Resources Fund	Various	Various	887.4	2.8	Various	884.6	113.4	794.9	157.3
Global Energy Opportunities [4]	Various	Various	979.2	579.6	Various	440.8	61.0	323.8	334.4
Global Infrastructure Investors [4]	9/2011	10/2014	1,040.2	42.4	4.8%	1,029.3	873.2	623.0	811.7
Global Infrastructure Investors II [4]	10/2014	10/2020	3,044.3	756.6	4.1%	2,513.1	229.0	2,283.6	2,735.2
Global Infrastructure Investors III [4]	[5]	[5]	6,021.0	6,021.0	4.5%	—	—	—	—
Real Estate Partners Americas [4]	5/2013	5/2017	1,229.1	352.8	16.3%	1,004.1	853.9	543.3	588.2
Real Estate Partners Americas II [4]	5/2017	12/2020	1,921.2	1,872.1	7.8%	49.1	—	48.5	47.0
Real Estate Partners Europe [4]	9/2015	6/2020	720.1	527.1	9.2%	209.9	15.1	198.0	247.4
Real Estate Credit Opportunity Partners [4]	2/2017	2/2019	1,130.0	621.5	4.4%	508.5	19.0	508.5	510.6
Co-Investment Vehicles and Other	Various	Various	1,781.9	387.2	Various	1,394.7	547.0	1,391.4	1,777.0
Real Assets			$ 20,728.6	$ 11,456.0		$ 9,748.3	$ 3,038.2	$ 8,127.8	$ 8,755.7
Other									
Core Investment Vehicles [4]	Various	Various	9,500.0	7,811.0	36.8%	1,689.0	—	1,689.0	1,689.0
Unallocated Commitments [6]			3,027.6	3,027.6	Various	—	—	—	—
Private Markets Total			$ 122,511.3	$ 50,300.5		$ 75,383.5	$ 80,587.6	$ 35,655.3	$ 49,567.9

(1) The start date represents the date on which the general partner of the applicable fund commenced investment of the fund's capital or the date of the first closing. The end date represents the earlier of (i) the date on which the general partner of the applicable fund was or will be required by the fund's governing agreement to cease making investments on behalf of the fund, unless extended by a vote of the fund investors and (ii) the date on which the last investment was made.

(2) The commitment represents the aggregate capital commitments to the fund, including capital commitments by third-party fund investors and the general partner. Foreign currency commitments have been converted into U.S.

dollars based on (i) the foreign exchange rate at the date of purchase for each investment and (ii) the exchange rate that prevailed on March 31, 2018 , in the case of uncalled commitments.

(3) The remaining cost represents the initial investment of the general partner and limited partners, with the limited partners' investment reduced for any return of capital and realized gains from which the general partner did not receive a carried interest.

(4) The "Invested" and "Realized" columns include the amounts of any realized investments that restored the unused capital commitments of the fund investors, if any.

(5) Initial investment period is six years from first investment date.

(6) "Unallocated Commitments" represent unallocated commitments from our strategic investor partnerships.

The tables below present information as of March 31, 2018 relating to the historical performance of certain of our Private Markets investment vehicles since inception, which we believe illustrates the benefits of our investment approach. The information presented under Total Investments includes all of the investments made by the specified investment vehicle, while the information presented under Realized/Partially Realized Investments includes only those investments that have been disposed of or have otherwise generated disposition proceeds or current income including dividends that have been distributed by the relevant fund. This data does not reflect additional capital raised since March 31, 2018 or acquisitions or disposals of investments, changes in investment values or distributions occurring after that date. However, the information presented below is not intended to be representative of any past or future performance for any particular period other than the period presented below. Past performance is no guarantee of future results.

	Amount		Fair Value of Investments					
Private Markets Investment Funds	**Commitment**	**Invested**	**Realized [4]**	**Unrealized**	**Total Value**	**Gross IRR [5]**	**Net IRR [5]**	**Gross Multiple of Invested Capital [5]**
			($ in millions)					
Total Investments								
Legacy Funds [1]								
1976 Fund	$ 31.4	$ 31.4	$ 537.2	$ —	$ 537.2	39.5 %	35.5 %	17.1
1980 Fund	356.8	356.8	1,827.8	—	1,827.8	29.0 %	25.8 %	5.1
1982 Fund	327.6	327.6	1,290.7	—	1,290.7	48.1 %	39.2 %	3.9
1984 Fund	1,000.0	1,000.0	5,963.5	—	5,963.5	34.5 %	28.9 %	6.0
1986 Fund	671.8	671.8	9,080.7	—	9,080.7	34.4 %	28.9 %	13.5
1987 Fund	6,129.6	6,129.6	14,949.2	—	14,949.2	12.1 %	8.9 %	2.4
1993 Fund	1,945.7	1,945.7	4,143.3	—	4,143.3	23.6 %	16.8 %	2.1
1996 Fund	6,011.6	6,011.6	12,476.9	—	12,476.9	18.0 %	13.3 %	2.1
Subtotal - Legacy Funds	16,474.5	16,474.5	50,269.3	—	50,269.3	26.1 %	19.9 %	3.1
Included Funds								
European Fund (1999) [2]	3,085.4	3,085.4	8,757.7	—	8,757.7	26.9 %	20.2 %	2.8
Millennium Fund (2002)	6,000.0	6,000.0	13,305.4	815.4	14,120.8	22.0 %	16.1 %	2.4
European Fund II (2005) [2]	5,750.8	5,750.8	8,469.8	57.7	8,527.5	6.1 %	4.5 %	1.5
2006 Fund (2006)	17,642.2	17,304.5	28,235.1	5,219.0	33,454.1	11.3 %	8.8 %	1.9
Asian Fund (2007)	3,983.3	3,945.9	8,192.1	477.1	8,669.2	19.0 %	13.8 %	2.2
European Fund III (2008) [2]	6,167.6	5,327.4	8,368.0	2,303.2	10,671.2	17.0 %	11.9 %	2.0
E2 Investors (Annex Fund) (2009) [2]	195.8	195.8	195.7	1.6	197.3	0.2 %	(0.4)%	1.0
China Growth Fund (2010)	1,010.0	1,010.0	600.5	741.2	1,341.7	10.0 %	4.8 %	1.3
Natural Resources Fund (2010)	887.4	884.6	113.4	157.3	270.7	(27.8)%	(30.3)%	0.3
Global Infrastructure Investors (2011) [2]	1,040.2	1,029.3	873.2	811.7	1,684.9	14.4 %	12.4 %	1.6
North America Fund XI (2012)	8,718.4	9,274.4	5,345.9	11,809.8	17,155.7	26.3 %	20.8 %	1.8
Asian Fund II (2013)	5,825.0	5,936.7	2,009.2	7,006.3	9,015.5	22.8 %	16.7 %	1.5
Real Estate Partners Americas (2013)	1,229.1	1,004.1	853.9	588.2	1,442.1	19.9 %	14.7 %	1.4
Energy Income and Growth Fund (2013)	1,974.2	1,714.2	326.6	1,546.9	1,873.5	4.8 %	1.6 %	1.1
Global Infrastructure Investors II (2014) [2]	3,044.3	2,513.1	229.0	2,735.2	2,964.2	15.9 %	12.8 %	1.2
European Fund IV (2015) [2]	3,539.2	2,276.2	85.1	3,414.0	3,499.1	33.6 %	25.6 %	1.5
Real Estate Partners Europe (2015) [2]	720.1	209.9	15.1	247.4	262.5	21.9 %	12.7 %	1.3
Next Generation Technology Growth Fund (2016) [3]	658.9	244.5	—	385.8	385.8	—	—	—
Health Care Strategic Growth Fund (2016) [3]	1,331.0	46.8	—	43.3	43.3	—	—	—
Americas Fund XII (2017) [3]	13,500.0	1,538.0	—	1,641.0	1,641.0	—	—	—
Real Estate Credit Opportunity Partners (2017) [3]	1,130.0	508.5 —	19.0	510.6	529.6	—	—	—
Asian Fund III (2017) [3]	9,000.0	626.4	—	588.9	588.9	—	—	—
Real Estate Partners Americas II (2017) [3]	1,921.2	49.1 —	—	47.0	47.0	—	—	—
Core Investment Vehicles (2017) [3]	9,500.0	1,689.0	—	1,689.0	1,689.0	—	—	—
Global Infrastructure Investors III (2018) [3]	6,021.0	— —	—	—	—			
Subtotal - Included Funds	113,875.1	72,164.6	85,994.7	42,837.6	128,832.3	15.8 %	11.6 %	1.8
All Funds	$ 130,349.6	$ 88,639.1	$ 136,264.0	$ 42,837.6	$ 179,101.6	25.6 %	18.8 %	2.0

Private Markets Investment Funds	Amount: Commitment	Amount: Invested	Fair Value of Investments: Realized [4]	Fair Value of Investments: Unrealized	Total Value	Gross Multiple of Invested Capital [5]
	($ in millions)					
Realized/Partially Realized Investments [4]						
Legacy Funds [1]						
1976 Fund	$ 31.4	$ 31.4	$ 537.2	$ —	$ 537.2	17.1
1980 Fund	356.8	356.8	1,827.8	—	1,827.8	5.1
1982 Fund	327.6	327.6	1,290.7	—	1,290.7	3.9
1984 Fund	1,000.0	1,000.0	5,963.5	—	5,963.5	6.0
1986 Fund	671.8	671.8	9,080.7	—	9,080.7	13.5
1987 Fund	6,129.6	6,129.6	14,949.2	—	14,949.2	2.4
1993 Fund	1,945.7	1,945.7	4,143.3	—	4,143.3	2.1
1996 Fund	6,011.6	6,011.6	12,476.9	—	12,476.9	2.1
Subtotal - Legacy Funds	16,474.5	16,474.5	50,269.3	—	50,269.3	3.1
Included Funds						
European Fund (1999) [2]	3,085.4	3,085.4	8,757.7	—	8,757.7	2.8
Millennium Fund (2002)	6,000.0	5,599.4	13,305.4	815.4	14,120.8	2.5
European Fund II (2005) [2]	5,750.8	5,245.4	8,469.8	57.7	8,527.5	1.6
2006 Fund (2006)	17,642.2	15,889.9	28,235.1	4,211.2	32,446.3	2.0
Asian Fund (2007)	3,983.3	3,418.8	8,192.1	263.1	8,455.2	2.5
European Fund III (2008) [2]	6,167.6	3,897.0	8,368.0	787.3	9,155.3	2.3
E2 Investors (Annex Fund) (2009) [2]	195.8	94.8	195.7	—	195.7	2.1
China Growth Fund (2010)	1,010.0	568.4	600.5	299.3	899.8	1.6
Natural Resources Fund (2010)	887.4	886.9	113.4	157.2	270.6	0.3
Global Infrastructure Investors (2011) [2]	1,040.2	1,025.7	873.2	830.6	1,703.8	1.7
North America Fund XI (2012)	8,718.4	5,781.8	5,345.9	8,087.4	13,433.3	2.3
Asian Fund II (2013)	5,825.0	3,077.4	2,009.2	3,956.0	5,965.2	1.9
Real Estate Partners Americas (2013)	1,229.1	871.1	853.9	459.8	1,313.7	1.5
Energy Income and Growth Fund (2013)	1,974.2	1,714.2	326.6	1,546.9	1,873.5	1.1
Global Infrastructure Investors II (2014) [2]	3,044.3	1,245.6	229.0	1,311.3	1,540.3	1.2
European Fund IV (2015) [2]	3,539.2	447.9	85.1	980.8	1,065.9	2.4
Real Estate Partners Europe (2015) [2] [4]	720.1	89.8	15.1	107.2	122.3	1.4
Next Generation Technology Growth Fund (2016) [3] [4]	658.9	—	—	—	—	—
Health Care Strategic Growth Fund (2016) [3] [4]	1,331.0	—	—	—	—	—
Americas Fund XII (2017) [3] [4]	13,500.0	—	—	—	—	—
Real Estate Credit Opportunity Partners (2017) [3] [4]	1,130.0	—	—	—	—	—
Asian Fund III (2017) [3] [4]	9,000.0	—	—	—	—	—
Real Estate Partners Americas II (2017) [3] [4]	1,921.2	—	—	—	—	—
Core Investment Vehicles (2017) [3] [4]	9,500.0	—	—	—	—	—
Global Infrastructure Investors III (2018) [3][4]	6,021.0	—	—	—	—	—
Subtotal - Included Funds	113,875.1	52,939.5	85,975.7	23,871.2	109,846.9	2.1
All Realized/Partially Realized Investments	$ 130,349.6	$ 69,414.0	$ 136,245.0	$ 23,871.2	$ 160,116.2	2.3

(1) These funds were not contributed to KKR as part of the KPE Transaction.

(2) The capital commitments of the European Fund, European Fund II, European Fund III, E2 Investors (Annex Fund), European Fund IV, Global Infrastructure Investors, Global Infrastructure Investors II and Real Estate Partners Europe include euro-denominated commitments of €196.5 million, €2,597.5 million, €2,882.8 million, €55.5 million, €1,626.1 million, €30.0 million, €243.8 million and €276.6 million, respectively. Such amounts have been converted into U.S. dollars based on (i) the foreign exchange rate at the date of purchase for each investment and (ii) the exchange rate prevailing on March 31, 2018 in the case of unfunded commitments.

(3) The gross IRR, net IRR and gross multiple of invested capital are calculated for our investment funds that made their first investment at least 24 months prior to March 31, 2018 . None of the Next Generation Technology Growth Fund, Health Care Strategic Growth Fund, Americas Fund XII, Real Estate Credit Opportunity Partners, Asian Fund III, Real Estate Partners Americas II, our Core Investment Vehicles or Global Infrastructure Investors III has invested for at least 24 months as of March 31, 2018 . We therefore have not calculated gross IRRs, net IRRs and gross multiples of invested capital with respect to those funds.

(4) An investment is considered fully or partially realized when it has been disposed of or has otherwise generated disposition proceeds or current income that has been distributed by the relevant fund. In periods prior to the three months ended September 30, 2015, realized proceeds excluded current income such as dividends and interest. Realizations have not been shown for those investment funds that have either made their first investment more recently than 24 months prior to March 31, 2018 or have otherwise not had any realizations.

(5) IRRs measure the aggregate annual compounded returns generated by a fund's investments over a holding period. Net IRRs are calculated after giving effect to the allocation of realized and unrealized carried interest and the payment of any applicable management fees and organizational expenses. Gross IRRs are calculated before giving effect to the allocation of carried interest and the payment of any applicable management fees and organizational expenses.

The gross multiples of invested capital measure the aggregate value generated by a fund's investments in absolute terms. Each multiple of invested capital is calculated by adding together the total realized and unrealized values of a fund's investments and dividing by the total amount of capital invested by the fund. Such amounts do not give effect to the allocation of realized and unrealized carried interest or the payment of any applicable management fees or organizational expenses.

KKR's Private Markets funds may utilize third-party financing facilities to provide liquidity to such funds. The above net and gross IRRs are calculated from the time capital contributions are due from fund investors to the time fund investors receive a related distribution from the fund, and the use of such financing facilities generally decreases the amount of invested capital that would otherwise be used to calculate IRRs, which tends to increase IRRs when fair value grows over time and decrease IRRs when fair value decreases over time. KKR's Private Markets funds also generally provide in certain circumstances, which vary depending on the relevant fund documents, for a portion of capital returned to investors to be restored to unused commitments as recycled capital. For KKR's Private Markets funds that have a preferred return, we take into account recycled capital in the calculation of IRRs and multiples of invested capital because the calculation of the preferred return includes the effect of recycled capital. For KKR's Private Markets funds that do not have a preferred return, we do not take recycled capital into account in the calculation of IRRs and multiples of invested capital. The inclusion of recycled capital generally causes invested and realized amounts to be higher and IRRs and multiples of invested capital to be lower than had recycled capital not been included. The inclusion of recycled capital would reduce the composite net IRR of all Included Funds by 0.1% and the composite net IRR of all Legacy Funds by 0.5%, and would reduce the composite multiple of invested capital of Included Funds by less than 0.1 and the composite multiple of invested capital of Legacy Funds by 0.4.

Public Markets

We operate and report our combined credit and hedge funds businesses through the Public Markets segment. Our credit business invests capital in (i) leveraged credit strategies, including leveraged loans, high-yield bonds, opportunistic credit and revolving credit strategies, and (ii) alternative credit strategies, including special situations and private credit strategies such as direct lending and private opportunistic credit (or mezzanine) investment strategies. The funds, CLOs, separately managed accounts, investment companies registered under the Investment Company Act of 1940 (the "Investment Company Act"), including BDCs, and alternative investments funds ("AIFs") in our leveraged credit and alternative credit strategies are managed by KKR Credit Advisors (US) LLC, which is an SEC-registered investment adviser, KKR Credit Advisors (Ireland) Unlimited Company, regulated by the Central Bank of Ireland, and KKR Credit Advisors (EMEA) LLP, regulated by the United Kingdom Financial Conduct Authority (the "FCA"). Our Public Markets segment also includes our hedge funds business, which consists of strategic partnerships with third-party hedge fund managers in which KKR owns a minority stake (which we refer to as "strategic manager partnerships"). Our strategic manager partnerships offer a variety of investment strategies, including hedge fund-of-funds, equity hedge funds, credit hedge funds and funds focused on investing in natural catastrophe and weather risks.

We intend to continue to grow the Public Markets business by leveraging our global investment platform, experienced investment professionals and the ability to adapt our investment strategies to different market conditions to capitalize on investment opportunities that may arise at various levels of the capital structure and across market cycles.

As of March 31, 2018 , our Public Markets segment had $74.1 billion of AUM, comprised of $25.6 billion of assets managed in our leveraged credit strategies (which include $1.9 billion of assets managed in our opportunistic credit strategy and $1.5 billion of assets managed in our revolving credit strategy), $7.5 billion of assets managed in our special situations strategy, $11.8 billion of assets managed in our private credit strategies, $28.5 billion of assets managed through our hedge fund business and $0.7 billion of assets managed in other strategies. Our private credit strategies include $7.4 billion of assets managed in our direct lending strategy and $4.4 billion of assets managed in our private opportunistic credit strategy.

On December 11, 2017, we entered into an agreement with FS Investments to form a strategic BDC partnership to provide investment advisory services to CCT and CCT II, which were BDCs advised and sub-advised, respectively, by us, and four BDCs that were sponsored by FS Investments. This transaction closed on April 9, 2018 and together with CCT and CCT II created a BDC platform with $18 billion in AUM (calculated based on AUMs of FS Investments' BDCs as of December 31, 2017).

Credit

Performance

We generally review our performance in our credit business by investment strategy.

The following table presents information regarding the principal leveraged credit strategies managed by KKR. The returns presented below are from inception of the strategy to March 31, 2018 . However, the information presented below is not intended to be representative of any past or future performance for any particular period other than the period presented below. Past performance is no guarantee of any future result.

Leveraged Credit Strategies: Inception-to-Date Annualized Gross Performance vs. Benchmark by Strategy

($ in millions)	Inception Date	Gross Returns	Net Returns	Benchmark (1)	Benchmark Gross Returns
Bank Loans Plus High Yield	Jul 2008	8.11%	7.47%	65% S&P/ LSTA Loan Index, 35% BoAML HY Master II Index [2]	6.29%
Opportunistic Credit [3]	May 2008	12.94%	10.95%	BoAML HY Master II Index [3]	6.55%
Bank Loans	Apr 2011	5.57%	4.96%	S&P/LSTA Loan Index [4]	4.31%
High-Yield	Apr 2011	6.83%	6.24%	BoAML HY Master II Index [5]	6.22%
Bank Loans Conservative	Apr 2011	4.81%	4.20%	S&P/LSTA BB-B Loan Index [6]	4.30%
European Leveraged Loans [7]	Sep 2009	5.35%	4.83%	CS Inst West European Leveraged Loan Index [8]	4.72%
High-Yield Conservative	Apr 2011	6.07%	5.49%	BoAML HY BB-B Constrained [9]	6.08%
European Credit Opportunities [7]	Sept 2007	5.65%	4.74%	S&P European Leveraged Loans (All Loans) [10]	4.43%
Revolving Credit [11]	May 2015	N/A	N/A	N/A	N/A

(1) The benchmarks referred to herein include the S&P/LSTA Leveraged Loan Index (the "S&P/LSTA Loan Index"), S&P/LSTA U.S. B/BB Ratings Loan Index (the "S&P/ LSTA BB-B Loan Index"), the Bank of America Merrill Lynch High Yield Master II Index (the "BoAML HY Master II Index"), the BofA Merrill Lynch BB-B US High Yield Index (the "BoAML HY BB-B Constrained"), the Credit Suisse Institutional Western European Leveraged Loan Index (the "CS Inst West European Leveraged Loan Index"), and S&P European Leveraged Loans (All Loans). The S&P/LSTA Loan Index is a daily tradable index for the U.S. loan market that seeks to mirror the market-weighted performance of the largest institutional loans that meet certain criteria. The S&P/ LSTA BB-B Loan Index is comprised of loans in the S&P/LSTA Loan Index, whose rating is BB+, BB, BB-, B+, B or B-. The BoAML HY Master II Index is an index for high-yield corporate bonds. It is designed to measure the broad high-yield market, including lower-rated securities. The BoAML HY BB-B Constrained is a subset of the BoAML HY Master II Index including all securities rated BB1 through B3, inclusive. The CS Inst West European Leveraged Loan Index contains only institutional loan facilities priced above 90 , excluding TL and TLa facilities and loans rated CC, C or are in default. The S&P European Leveraged Loan Index reflects the market-weighted performance of institutional leveraged loan portfolios investing in European credits. While the returns of our leveraged credit strategies reflect the reinvestment of income and dividends, none of the indices presented in the chart above reflect such reinvestment, which has the effect of increasing the reported relative performance of these strategies as compared to the indices. Furthermore, these indices are not subject to management fees, incentive allocations or expenses.

(2) Performance is based on a blended composite of Bank Loans Plus High Yield strategy accounts. The benchmark used for purposes of comparison for the Bank Loans Plus High Yield strategy is based on 65% S&P/LSTA Loan Index and 35% BoAML HY Master II Index.

(3) The Opportunistic Credit strategy invests in high-yield securities and corporate loans with no preset allocation. The Benchmark used for purposes of comparison for the Opportunistic Credit strategy presented herein is based on the BoAML HY Master II Index. Funds within this strategy may utilize third-party financing facilities to enhance investment returns. In cases where financing facilities are used, the amounts drawn on the facility are deducted from the assets of the fund in the calculation of net asset value, which tends to increase returns when net asset value grows over time and decrease returns when net asset value decreases over time.

(4) Performance is based on a composite of portfolios that primarily invest in leveraged loans. The benchmark used for purposes of comparison for the Bank Loans strategy is based on the S&P/LSTA Loan Index.

(5) Performance is based on a composite of portfolios that primarily invest in high-yield securities. The benchmark used for purposes of comparison for the High Yield strategy is based on the BoAML HY Master II Index.

(6) Performance is based on a composite of portfolios that primarily invest in leveraged loans rated B-/Baa3 or higher. The benchmark used for purposes of comparison for the Bank Loans Conservative strategy is based on the S&P/LSTA BB-B Loan Index.

(7) The returns presented are calculated based on local currency.

(8) Performance is based on a composite of portfolios that primarily invest in higher quality leveraged loans. The benchmark used for purposes of comparison for the European Leveraged Loans strategy is based on the CS Inst West European Leveraged Loan Index.

(9) Performance is based on a composite of portfolios that primarily invest in high-yield securities rated B or higher. The benchmark used for purposes of comparison for the High-Yield Conservative strategy is based on the BoAML HY BB-B Constrained Index.

(10) Performance is based on a composite of portfolios that primarily invest in European institutional leveraged loans. The benchmark used for purposes of comparison for the European Credit Opportunities strategy is based on the S&P European Leveraged Loans (All Loans) Index.

(11) This strategy has not called any capital as of March 31, 2018 . As a result, the gross and net return performance measures are not meaningful and are not included above.

The following table presents information regarding our Public Markets alternative credit funds where investors are subject to capital commitments from inception to March 31, 2018 . Some of these funds have been investing for less than 24 months, and thus their performance is less meaningful and not included below. In addition, the information presented below is not intended to be representative of any past or future performance for any particular period other than the period presented below, and past performance is no guarantee of any future result.

Alternative Credit Strategies: Fund Performance

		Amount		Fair Value of Investments					
Public Markets Investment Funds	**Inception Date**	**Commitment**	**Invested (1)**	**Realized (1)**	**Unrealized**	**Total Value**	**Gross IRR (2)**	**Net IRR (2)**	**Multiple of Invested Capital (3)**
		($ in Millions)							
Special Situations Fund	Dec 2012	$ 2,274.3	$ 2,244.7	$ 900.7	$ 1,941.9	$ 2,842.6	7.6%	5.6%	1.3
Special Situations Fund II	Dec 2014	3,294.2	1,690.8	—	1,758.1	1,758.1	2.8%	—%	1.0
Mezzanine Partners	Mar 2010	1,022.8	913.9	980.1	366.1	1,346.2	13.4%	8.6%	1.5
Private Credit Opportunities Partners II	Dec 2015	2,245.1	525.5	9.5	538.4	547.9	6.4%	2.7%	1.0
Lending Partners	Dec 2011	460.2	405.3	367.5	153.7	521.2	7.6%	6.1%	1.3
Lending Partners II	Jun 2014	1,335.9	1,177.1	325.1	1,169.8	1,494.9	13.5%	11.2%	1.3
Lending Partners III	Apr 2017	963.8	195.0	—	217.4	217.4	N/A	N/A	N/A
Lending Partners Europe	Mar 2015	847.6	514.0	56.1	527.5	583.6	12.1%	7.5%	1.1
Other Alternative Credit Vehicles	Various	7,245.4	3,929.6	2,290.5	3,084.5	5,375.0	N/A	N/A	N/A
Unallocated Commitments (4)	Various	450.0	—	—	—	—	N/A	N/A	N/A
All Funds		$ 20,139.3	$ 11,595.9	$ 4,929.5	$ 9,757.4	$ 14,686.9			

(1) Recycled capital is excluded from the amounts invested and realized.

(2) These credit funds utilize third-party financing facilities to provide liquidity to such funds, and in such event IRRs are calculated from the time capital contributions are due from fund investors to the time fund investors receive a related distribution from the fund. The use of such financing facilities generally decreases the amount of invested capital that would otherwise be used to calculate IRRs, which tends to increase IRRs when fair value grows over time and decrease IRRs when fair value decreases over time. IRRs measure the aggregate annual compounded returns generated by a fund's investments over a holding period and are calculated taking into account recycled capital. Net IRRs presented are calculated after giving effect to the allocation of realized and unrealized carried interest and the payment of any applicable management fees. Gross IRRs are calculated before giving effect to the allocation of carried interest and the payment of any applicable management fees.

(3) The multiples of invested capital measure the aggregate value generated by a fund's investments in absolute terms. Each multiple of invested capital is calculated by adding together the total realized and unrealized values of a fund's investments and dividing by the total amount of capital invested by the investors. The use of financing facilities generally decreases the amount of invested capital that would otherwise be used to calculate multiples of invested capital, which tends to increase multiples when fair value grows over time and decrease multiples when fair value decreases over time. Such amounts do not give effect to the allocation of any realized and unrealized returns on a fund's investments to the fund's general partner pursuant to a carried interest or the payment of any applicable management fees and are calculated without taking into account recycled capital.

(4) "Unallocated Commitments" represent unallocated commitments from our strategic investor partnerships.

Public Markets AUM and Vehicle Structures

The table below presents information as of March 31, 2018 , based on the investment funds, vehicles or accounts offered by our Public Markets segment. Our funds, vehicles and accounts have been sorted based upon their primary investment strategies. However, the AUM and FPAUM presented for each line in the table includes certain investments from non-primary investment strategies, which are permitted by their investment mandates, for purposes of presenting the fees and other terms for such funds, vehicles and accounts.

($ in millions)	AUM	FPAUM	Typical Management Fee Rate	Incentive Fee / Carried Interest	Preferred Return	Duration of Capital
Leveraged Credit:						
Leveraged Credit SMAs/Funds	$ 13,793	$ 12,685	0.33%-1.50%	Various [1]	Various [1]	Subject to redemptions
CLOs	10,752	10,752	0.40%-0.50%	Various [1]	Various [1]	10-14 Years [2]
Total Leveraged Credit	24,545	23,437				
Alternative Credit: [3]						
Special Situations	7,770	4,556	0.90%-1.75% [4]	10.00-20.00%	7.00-12.00%	8-15 Years [2]
Private Credit	9,059	4,584	0.50%-1.75%	10.00-20.00%	5.00-8.00%	8-15 Years [2]
Total Alternative Credit	16,829	9,140				
Hedge Funds [5]	28,503	21,336	0.50%-2.00%	Various [1]	Various [1]	Subject to redemptions
BDCs [6]	4,239	4,239	1.00%-1.125%	10.00-15.00%	7.00%	7 years
Total	$ 74,116	$ 58,152				

(1) Certain funds and CLOs are subject to a performance fee in which the manager or general partner of the funds share up to 20% of the net profits earned by investors in excess of performance hurdles (generally tied to a benchmark or index) and subject to a provision requiring the funds and vehicles to regain prior losses before any performance fee is earned.

(2) Duration of capital is measured from inception. Inception dates for CLOs were between 2005 and 2017 and for separately managed accounts and funds investing in alternative credit strategies from 2009 through 2017.

(3) Our alternative credit funds generally have investment periods of three to five years and our newer alternative credit funds generally earn fees on invested capital during the investment period.

(4) Lower fees on uninvested capital in certain vehicles.

(5) Hedge Funds represent KKR's pro rata portion of AUM and FPAUM of our strategic manager partnerships, which consist of minority stakes in hedge fund managers.

(6) Consists of CCT and CCT II, which were BDCs advised and sub-advised, respectively, by KKR. These vehicles invest in both leveraged credit and private credit strategies. On November 14, 2017, shares of CCT's common stock commenced trading on the NYSE and KKR Credit Advisors (US) LLC became CCT's sole investment adviser. On December 11, 2017, we entered into an agreement with FS Investments to form a strategic BDC partnership that will provide investment advisory services to CCT, CCT II and four BDCs that were sponsored by FS Investments. This transaction was completed on April 9, 2018.

Capital Markets

Our Capital Markets segment is comprised of our global capital markets business. Our capital markets business supports our firm, our portfolio companies and third-party clients by developing and implementing both traditional and non-traditional capital solutions for investments or companies seeking financing. These services include arranging debt and equity financing, placing and underwriting securities offerings and providing other types of capital markets services. Our capital markets business underwrites credit facilities and arranges loan syndications and participations. When we are sole arrangers of a credit facility, we may advance amounts to the borrower on behalf of other lenders, subject to repayment. When we underwrite an offering of securities on a firm commitment basis, we commit to buy and sell an issue of securities and generate revenue by purchasing the securities at a discount or for a fee. When we act in an agency capacity or best efforts basis, we generate revenue for arranging financing or placing securities with capital markets investors. We may also provide issuers with capital markets advice on security selection, access to markets, marketing considerations, securities pricing, and other aspects of capital markets transactions in exchange for a fee. Our capital markets business also plays an important role in syndicating private equity co-investment opportunities to both fund investors and other third parties, which may entitle the firm to receive management fees and/or a carried interest.

Our flagship capital markets subsidiary is KKR Capital Markets LLC, an SEC-registered broker-dealer and a member of the Financial Industry Regulation Authority ("FINRA"), which is registered or authorized to carry out certain broker-dealer activities in various countries in North America, Europe, Asia-Pacific and the Middle East.

Principal Activities

Through our Principal Activities segment, we manage the firm's own assets on our balance sheet and deploy capital to support and grow our businesses. Our Principal Activities segment uses our balance sheet assets to support our investment management and capital markets businesses. Typically, the funds in our Private Markets and Public Markets businesses contractually require us, as general partner of the funds, to make sizable capital commitments from time to time. We believe our general partner commitments are indicative of the conviction we have in a given fund's strategy, which assists us in raising new funds from limited partners. We also use our balance sheet to acquire investments in order to help establish a track record for fundraising purposes in new strategies. We may also use our own capital to seed investments for new funds, to bridge capital selectively for our funds' investments or finance strategic acquisitions and partnerships, although the financial results of an acquired business or strategic manager partnership may be reported in our other segments.

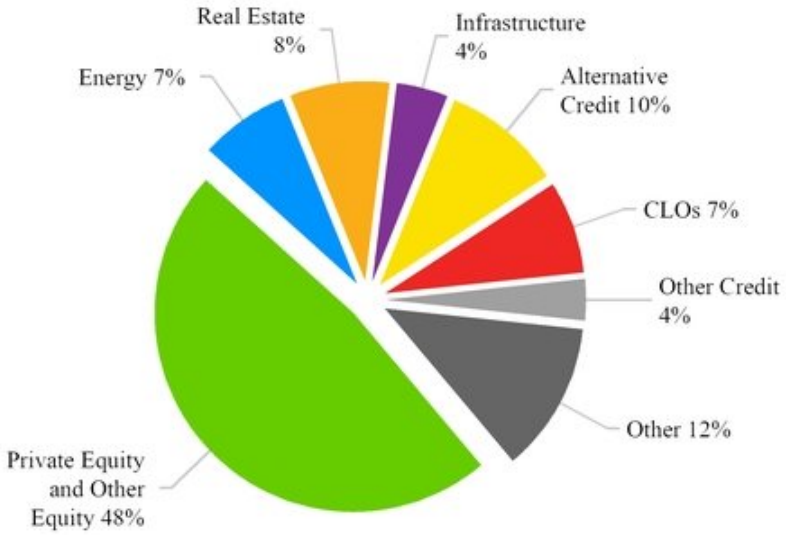
Our Principal Activities segment also provides the required capital to fund the various commitments of our Capital Markets business when underwriting or syndicating securities, or when providing term loan commitments for transactions involving our portfolio companies and for third parties. Our Principal Activities segment also holds assets that may be utilized to satisfy regulatory requirements for our Capital Markets business and risk retention requirements for our CLOs.

We also make opportunistic investments through our Principal Activities segment, which include co-investments alongside our Private Markets and Public Markets funds as well as Principal Activities investments that do not involve our Private Markets or Public Markets funds.

We endeavor to use our balance sheet strategically and opportunistically to generate an attractive risk-adjusted return on equity in a manner that is consistent with our fiduciary duties and in compliance with applicable laws.

The chart below presents the holdings of our Principal Activities segment by asset class as of March 31, 2018 .

Holdings by Asset Class [(1)]



(1) This presentation includes our capital commitments to our funds. Assets and revenues of other asset managers with which KKR has formed strategic manager partnerships where KKR does not hold more than 50% ownership interest are not included in our Principal Activities segment but are reported in the financial results of our other segments. Private Equity and Other Equity includes KKR private equity funds, co-investments alongside such KKR-sponsored private equity funds, certain core equity investments, and other opportunistic investments. However, equity investments in other asset classes, such as real estate, special situations and energy appear in these other asset classes. Other Credit consists of other leveraged credit and specialty finance strategies.

Business Environment

Economic and Market Conditions

Economic Conditions . As a global investment firm, we are affected by financial and economic conditions globally. Global and regional economic conditions have a substantial impact on our financial condition and results of operations, impacting the values of the investments we make, our ability to exit these investments profitably, our ability to raise capital from investors and our ability to make new investments. Financial and economic conditions in the United States, the European Union, Japan, China and other major economies are significant contributors to the global economy.

As of March 31, 2018, U.S. economic growth seemed to be slowing slightly, the United States showed signs of rising inflation, and the U.S. Federal Reserve continued to raise its benchmark interest rate and reduce its balance sheet. In the United States, real GDP growth was 2.3%, on a seasonally adjusted annualized basis, for the quarter ended March 31, 2018, down from 2.9% for the quarter ended December 31, 2017; the U.S. unemployment rate was 4.1% as of March 31, 2018, flat from 4.1% as of December 31, 2017; U.S. core consumer price index inflation was 2.1% on a year-over-year basis as of March 31, 2018, up from 1.8% on a year-over-year basis as of December 31, 2017; and the effective federal funds rate set by the U.S. Federal Reserve was 1.7% as of March 31, 2018, up from 1.3% as of December 31, 2017.

As of March 31, 2018, the European Union appeared to be experiencing a softening pace of growth with a modest rise in inflation, and the European Central Bank is expected to taper its quantitative easing program in the near future. In the Euro Area, real GDP growth is estimated to be 0.5%, on a seasonally adjusted quarter-over-quarter basis, compared to 0.7%, on a seasonally adjusted quarter-over-quarter basis, for the quarter ended December 31, 2017; the Euro Area unemployment rate was 8.5% as of February 28, 2018, down from 8.6% as of December 31, 2017; Euro Area core inflation was 1.0% on a year-over-year basis as of March 31, 2018, up slightly when compared to 0.9% on a year-over-year basis as of December 31, 2017; and the short-term benchmark interest rate set by the European Central Bank was 0.0% as of March 31, 2018, flat from December 31, 2017. As noted, in March 2017, the United Kingdom triggered Article 50 to formally begin the process to exit from the European Union, which could, among other outcomes, significantly disrupt trade and the free movement of goods, services and people between the United Kingdom and the European Union.

As of March 31, 2018, the Bank of Japan is expected to continue its quantitative easing program, and the Chinese economy appears to be slowing slightly against the backdrop of certain economic reforms. In Japan, the short-term benchmark interest rate set by the Bank of Japan was -0.1% as of March 31, 2018, unchanged from December 31, 2017; and in China, reported real GDP was 1.4%, on a seasonally adjusted quarter-over-quarter basis, for the quarter ended March 31, 2018, compared to 1.6% in the quarter ended December 31, 2017.

These and other key issues could have repercussions across regional and global financial markets, which could adversely affect the valuations of our investments. Other key issues include (i) political uncertainty caused by, among other things, populist political parties and economic nationalist sentiments, (ii) regulatory changes regarding, for example, taxation, international trade, cross-border investments, immigration, and austerity programs, and (iii) increased volatility as the U.S. Federal Reserve potentially raises interest rates more frequently and/or in larger increments than in previous years and (iv) technological advancements and innovations that may disrupt marketplaces and businesses. For a further discussion of how market conditions may affect our businesses, see "Risk Factors—Risks Related to Our Business—Difficult market and economic conditions can adversely affect our business in many ways, including by reducing the value or performance of the investments that we manage or by reducing the ability of our funds to raise or deploy capital, each of which could negatively impact our net income and cash flow and adversely affect our financial condition" in our Annual Report.

Equity and Credit Markets . Global equity and credit markets have a substantial effect on our financial condition and results of operations. In general, a climate of reasonable interest rates and high levels of liquidity in the debt and equity capital markets provide a positive environment for us to generate attractive investment returns, which also impacts our ability to generate incentive fees and carried interest. Periods of volatility and dislocation in the capital markets present substantial risks, but also can present us with opportunities to invest at reduced valuations that position us for future growth and investment returns. Low interest rates related to monetary stimulus and economic stagnation may negatively impact expected returns on all types of investments. Higher interest rates in conjunction with slower growth or weaker currencies in some emerging market economies have caused, and may further cause, the default risk of these countries to increase, and this could impact the operations or value of our investments that operate in these regions. Areas such as the Eurozone and Japan, which have ongoing central bank quantitative easing campaigns and comparatively low interest rates relative to the United States, could potentially experience further currency volatility and weakness relative to the U.S. dollar.

Many of our investments are in equities, so a change in global equity prices or in market volatility directly impacts the value of our investments and our profitability as well as our ability to realize investment gains and the receptiveness of fund investors to our investment products. For the quarter ended March 31, 2018, global equity markets were negative, with the S&P 500 Index down 1.2% and the MSCI World Index down 0.8% on a total return basis including dividends. Equity market volatility as evidenced by the Chicago Board Options Exchange Market Volatility Index (the "VIX"), a measure of volatility, ended at 20.0 as of March 31, 2018, increasing from 11.0 as of December 31, 2017. For a discussion of our valuation methods, see "Risk Factors—Risks Related to the Assets We Manage—Our investments are impacted by various economic conditions that are difficult to quantify or predict, which may have a significant impact on the valuation of our investments and, therefore, on the investment income we realize and our results of operations and financial condition" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Fair Value Measurements—Level III Valuation Methodologies" in our Annual Report.

Many of our investments are also in non-investment grade credit instruments, and our funds and our portfolio companies also rely on credit financing and the ability to refinance existing debt. Consequently, any decrease in the value of credit instruments that we have invested in or any increase in the cost of credit financing reduces our returns and decreases our net income. In particular due in part to holdings of credit instruments such as CLOs on our balance sheet, the performance of the credit markets has had an amplified impact on our financial results, as we directly bear the full extent of losses from credit instruments on our balance sheet. Credit markets can also impact valuations because a discounted cash flow analysis is generally used as one of the methodologies used to ascertain the fair value of our investments that do not have readily observable market prices. In addition, with respect to our credit instruments, tightening credit spreads are generally expected to lead to an increase, and widening credit spreads are generally expected to lead to a decrease, in the value of these credit investments, if not offset by hedging or other factors. In addition, the significant widening of credit spreads is also typically expected to negatively impact equity markets, which in turn would negatively impact our portfolio and us as noted above. During the quarter ended March 31, 2018, U.S. investment grade corporate bond spreads (BofA Merrill Lynch US Corporate Index) widened by 18 basis points and U.S. high-yield corporate bond spreads (BofAML HY Master II Index) widened by 9 basis points. The non-investment grade credit indices were mixed during the quarter ended March 31, 2018, with the S&P/LSTA Leveraged Loan Index up 1.4% and the BofAML HY Master II Index down 0.9%. In addition, during the quarter ended March 31, 2018, 10-year government bond yields rose 33 basis points in the United States and, rose 7 basis points in Germany and rose 16 basis points in the United Kingdom, fell 14 basis points in China, and were flat in Japan. For a further discussion of how market conditions may affect our businesses, see "Risk Factors—Risks Related to Our Business—Difficult market and economic conditions can adversely affect our business in many ways, including by reducing the value or performance of the investments that we manage or by reducing the ability of our funds to raise or deploy capital, each of which could negatively impact our net income and cash flow and adversely affect our financial condition" and "Risk Factors—Risks Related to the Assets We Manage—Our investments are impacted by various economic conditions that are difficult to quantify or predict, which may have a significant impact on the valuation of our investments and, therefore, on the investment income we realize and our results of operations and financial condition" in our Annual Report.

For further discussion of the impact of global credit markets on our financial condition and results of operations, see "Risk Factors—Risks Related to the Assets We Manage—Changes in the debt financing markets may negatively impact the ability of our investment funds, their portfolio companies and strategies pursued with our balance sheet assets to obtain attractive financing for their investments or to refinance existing debt and may increase the cost of such financing or refinancing if it is obtained, which could lead to lower-yielding investments and potentially decrease our net income," "Risk Factors—Risks Related to the Assets We Manage—Our investments are impacted by various economic conditions that are difficult to quantify or predict, which may have a significant impact on the valuation of our investments and, therefore, on the investment income we realize and our results of operations and financial condition" and "Risk Factors—Risks Related to the Assets We Manage—Our funds and our firm through our Principal Activities segment may make a limited number of investments, or investments that are concentrated in certain issuers, geographic regions or asset types, which could negatively affect our performance or the performance of our funds to the extent those concentrated assets perform poorly" in our Annual Report. For a further discussion of our valuation methods, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Fair Value Measurements—Level III Valuation Methodologies" in our Annual Report.

Foreign Exchange Rates . Foreign exchange rates have a substantial impact on the valuations of our investments that are denominated in currencies other than the U.S. dollar. Currency volatility can also affect our businesses and investments that deal in cross-border trade. The appreciation or depreciation of the U.S. dollar is expected to contribute to a decrease or increase, respectively, in the U.S. dollar value of our non-U.S. investments to the extent unhedged. In addition, an appreciating U.S. dollar would be expected to make the exports of U.S. based companies less competitive, which may lead to a decline in their export revenues, if any, while a depreciating U.S. dollar would be expected to have the opposite effect. Moreover, when selecting investments for our investment funds that are denominated in U.S. dollars, an appreciating U.S. dollar may create opportunities to invest at more attractive U.S. dollar prices in certain countries outside of the United States, while a

depreciating U.S. dollar would be expected to have the opposite effect. For our investments denominated in currencies other than the U.S. dollar, the depreciation in such currencies will generally contribute to the decrease in the valuation of such investments, to the extent unhedged, and adversely affect the U.S. dollar equivalent revenues of portfolio companies with substantial revenues denominated in such currencies, while the appreciation in such currencies would be expected to have the opposite effect. For the quarter ended March 31, 2018, the euro rose 2.7%, the British pound rose 3.7%, the Japanese yen rose 5.7%, and the Chinese renminbi rose 3.6%, respectively, relative to the U.S. dollar. For additional information regarding our foreign exchange rate risk, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosure About Market Risk—Exchange Rate Risk" in our Annual Report.

Commodity Markets . Our Private Markets portfolio contains energy real asset investments, and certain of our other Private Markets and Public Markets strategies and products, including private equity, direct lending, special situations and CLOs, also have meaningful investments in the energy sector. The value of these investments is heavily influenced by the price of natural gas and oil. During the quarter ended March 31, 2018, the long-term price of WTI crude oil and of natural gas were relatively stable. The long-term price of WTI crude oil was flat at approximately $53 per barrel, and the long-term price of natural gas increased from approximately $2.82 per mcf to $2.83 per mcf as of December 31, 2017 and March 31, 2018, respectively. When commodity prices decline or if a decline is not offset by other factors, we would expect the value of our energy real asset investments to be adversely impacted. In addition, because we hold certain energy assets on our balance sheet, which had a fair value of $0.7 billion as of March 31, 2018 , these price movements would have an amplified impact on our financial results, as we would directly bear the full extent of such gains or losses. For additional information regarding our energy real assets, see " Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Fair Value Measurements—Level III Valuation Methodologies—Real Asset Investments" and "Risk Factors—Risks Related to the Assets We Manage—Our funds and our firm through our Principal Activities segment may make a limited number of investments, or investments that are concentrated in certain issuers, geographic regions or asset types, which could negatively affect our performance or the performance of our funds to the extent those concentrated assets perform poorly" in our Annual Report.

Business Conditions

Our segment revenues consist of fees, performance income and investment income. Our ability to grow our revenues depends in part on our ability to attract new capital and investors, our successful deployment of capital including from our balance sheet and our ability to realize investments.

Our ability to attract new capital and investors. Our ability to attract new capital and investors in our funds is driven, in part, by the extent to which they continue to see the alternative asset management industry generally, and our investment products specifically, as an attractive vehicle for capital appreciation or income. Since 2010, we have expanded into strategies such as energy, infrastructure, real estate, growth equity, core, credit and, through strategic manager partnerships, hedge funds. In several of these strategies, our first time funds have begun raising successor funds, and we expect the cost of raising such successor funds to be lower. We have also reached out to new clients, including retail and high net worth clients. However, fundraising continues to be competitive. While our Americas Fund XII, Asian Fund III and our Real Estate Partners Americas II fund exceeded the size of their respective predecessor funds, there is no assurance that fundraises for our other flagship private equity funds or for our newer strategies and their successor funds will experience similar success. If we are unable to successfully raise comparably sized or larger funds, our AUM, FPAUM and associated fees attributable to new capital raised in future periods may be lower than in prior years. New capital raised in AUM for the quarters ended March 31, 2018 and 2017 were $10.6 billion and $8.5 billion, respectively. See "Risk Factors—Risks Related to Our Business—Our inability to raise additional or successor funds (or raise successor funds of a comparable size as our predecessor funds) could have a material adverse impact on our business" in our Annual Report.

Our ability to successfully deploy capital. Our ability to maintain and grow our revenue base is dependent upon our ability to successfully deploy the capital available to us and participate in capital markets transactions. Greater competition, high valuations, increased overall cost of credit and other general market conditions may impact our ability to identify and execute attractive investments. Additionally, because we seek to make investments that have an ability to achieve our targeted returns while taking on a reasonable level of risk, we may experience periods of reduced investment activity. We have a long-term investment horizon and the capital deployed in any one quarter may vary significantly from the capital deployed in any other quarter or the quarterly average of capital deployed in any given year. Reduced levels of transaction activity also tends to result in reduced potential future investment gains, lower transaction fees and lower fees for our capital markets business, which may earn fees in the syndication of equity or debt. Capital invested for the quarters ended March 31, 2018 and 2017 were $3.7 billion and $5.4 billion, respectively, and syndicated capital for the quarters ended March 31, 2018 and 2017 were $0.6 billion and $1.2 billion , respectively.

Our ability to realize investments. Challenging market and economic conditions may adversely affect our ability to exit and realize value from our investments and result in lower-than-expected returns. Although the equity markets are not the only means by which we exit investments, the strength and liquidity of the U.S. and relevant global equity markets generally, and the initial public offering market specifically, affect the valuation of, and our ability to successfully exit, our equity positions in our private equity portfolio companies in a timely manner. We may also realize investments through strategic sales. When financing is not available or becomes too costly, it may be more difficult to find a buyer that can successfully raise sufficient capital to purchase our investments. For the quarters ended March 31, 2018 and 2017, through exit activity in our investments, we realized carried interest of $0.2 billion and $0.2 billion , respectively.

Basis of Accounting

We consolidate the financial results of the KKR Group Partnerships and their consolidated subsidiaries, which include the accounts of our investment management and capital markets companies, the general partners of unconsolidated funds and vehicles, general partners of certain funds that are consolidated and their respective consolidated funds and certain other entities including certain consolidated CLOs and CMBS. We refer to CLOs and CMBS as collateralized financing entities ("CFEs").

When an entity is consolidated, we reflect the accounts of the consolidated entity, including its assets, liabilities, fees, expenses, investment income, cash flows and other amounts, on a gross basis. While the consolidation of a consolidated fund or entity does not have an effect on the amounts of Net Income Attributable to KKR or KKR's partners' capital that KKR reports, the consolidation does significantly impact the financial statement presentation under GAAP. This is due to the fact that the accounts of the consolidated entities are reflected on a gross basis while the allocable share of those amounts that are attributable to third parties are reflected as single line items. The single line items in which the accounts attributable to third parties are recorded are presented as noncontrolling interests on the consolidated statements of financial condition and net income attributable to noncontrolling interests on the consolidated statements of operations.

For a further discussion of our consolidation policies, see Note 2 "Summary of Significant Accounting Policies" to the condensed consolidated financial statements included elsewhere in this report.

Key Financial Measures Under GAAP

Revenues

Fees and Other

Fees and other consist primarily of (i) management and incentive fees from providing investment management services to unconsolidated funds, CLOs, other vehicles, and separately managed accounts, (ii) transaction fees earned in connection with successful investment transactions and from capital markets activities, (iii) monitoring fees from providing services to portfolio companies, (iv) expense reimbursements from certain investment funds and portfolio companies, (v) revenue earned by oil and gas-producing entities that are consolidated and (vi) consulting fees earned by consolidated entities that employ non-employee operating consultants. These fees are based on the contractual terms of the governing agreements and are recognized when earned, which coincides with the period during which the related services are performed and in the case of transaction fees, upon closing of the transaction. Monitoring fees may provide for a termination payment following an initial public offering or change of control. These termination payments are recognized in the period when the related transaction closes.

Capital Allocation-Based Income

Capital allocation-based income is earned from those arrangements whereby KKR serves as general partner and includes income from KKR's capital interest as well as “carried interest” which entitles KKR to a disproportionate allocation of investment income from investment funds' limited partners.

For a further discussion of our revenue policies, see Note 2 "Summary of Significant Accounting Policies" to the condensed consolidated financial statements included elsewhere in this report.

Expenses

Compensation and Benefits

Compensation and benefits expense includes cash compensation consisting of salaries, bonuses, and benefits, as well as equity-based compensation consisting of charges associated with the vesting of equity-based awards, carry pool allocations and other performance-based income compensation. All employees and employees of certain consolidated entities receive a base salary that is paid by KKR or its consolidated entities, and is accounted for as compensation and benefits expense. These employees are also eligible to receive discretionary cash bonuses based on performance, overall profitability and other matters. While cash bonuses paid to most employees are borne by KKR and certain consolidated entities and result in customary compensation and benefits expense, in the past cash bonuses that are paid to certain employees have been borne by KKR Holdings. These bonuses have historically been funded with distributions that KKR Holdings receives on KKR Group Partnership Units held by KKR Holdings but are not then passed on to holders of unvested units of KKR Holdings. Because employees are not entitled to receive distributions on units that are unvested, any amounts allocated to employees in excess of an employee's vested equity interests are reflected as employee compensation and benefits expense. These compensation charges are currently recorded based on the amount of cash expected to be paid by KKR Holdings. Because KKR makes only fixed quarterly distributions, the distributions made on KKR Group Partnership Units underlying any unvested KKR Holdings units are generally insufficient to fund annual cash bonus compensation to the same extent as in periods prior to the fourth quarter of 2015. In addition, substantially all remaining units in KKR Holdings have been allocated and while subject to a 5 year vesting period, will become fully vested by 2021, thus decreasing the amount of distributions received by KKR Holdings that are available for annual cash bonus compensation. We, therefore, expect to pay all or substantially all of the cash bonus payments from KKR's cash from operations, the carry pool and other performance-based income compensation as described below, although from time to time, KKR Holdings may contribute to the cash bonus payments in the future. See "Risks Related to Our Business—If we cannot retain and motivate our principals and other key personnel and recruit, retain and motivate new principals and other key personnel, our business, results and financial condition could be adversely affected" in our Annual Report regarding the adequacy of such distributions to fund future discretionary cash bonuses.

KKR uses three different methods, which are designed to yield comparable results, to allocate carried interest and other performance income compensation. With respect to KKR's investment funds that provide for carried interest without a preferred return, KKR allocates 40% of the carried interest received from such funds to its carry pool for employees and non-employee operating consultants. In addition, for investment funds that provide for incentive fees rather than carried interest, beginning with the quarter ended March 31, 2018, our carry pool is supplemented by allocating 43% of the incentive fees that do not constitute carried interest that are earned from such funds to performance income compensation. Prior to the quarter ended March 31, 2018, our carry pool was supplemented by 40% of incentive fees that do not constitute carried interest. Beginning with the quarter ended September 30, 2016, for investment funds that provide for carried interest with a preferred return and have accrued carried interest as of June 30, 2016, KKR also includes 40% of the management fees that would have been subject to a management fee refund as performance income compensation. Because of the different ways management fees are refunded in preferred return and non-preferred return funds that provide for carried interest, this calculation of 40% of the portion of the management fees subject to refund for funds that have a preferred return is designed to allocate to compensation an amount comparable to the amount that would have been allocated to the carry pool had the fund not had a preferred return. Beginning with the quarter ended September 30, 2017, for then-current and future carry generating funds with no or minimal accrued carried interest as of June 30, 2017, KKR allocates 43% of the carried interest to the carry pool instead of 40% of carried interest. For impacted funds, the incremental 3% replaces the allocation of management fee refunds that would have been calculated for those funds and is designed, based on a historical financial analysis of certain investment funds, to allocate an amount for preferred return funds that is comparable to the management fee refunds that would have been allocated as performance income compensation for those funds. The percentage of carried interest, management fee refunds, and incentive fees allocable to the carry pool or as performance income compensation is subject to change from time to time. For a discussion of how management fees are refunded for preferred return funds and non-preferred funds see "—Fair Value Measurements—Recognition of Carried Interest in the Statement of Operations."

The amounts allocated to the carry pool and other performance-based income compensation are accounted for as compensatory profit-sharing arrangements and recorded as compensation and benefits expense for KKR employees and general, administrative and other expense for certain non-employee consultants and service providers in the consolidated statements of operations prepared in accordance with GAAP.

General, Administrative and Other

General, administrative and other expense consists primarily of professional fees paid to legal advisors, accountants, advisors and consultants, insurance costs, travel and related expenses, communications and information services, depreciation and amortization charges, changes in fair value of contingent consideration, expenses incurred by oil and gas-producing entities (including impairment charges) that are consolidated and other general and operating expenses which are not borne by fund investors and are not offset by credits attributable to fund investors' noncontrolling interests in consolidated funds. General, administrative and other expense also consists of costs incurred in connection with pursuing potential investments that do not result in completed transactions, a substantial portion of which are borne by fund investors.

Investment Income (Loss)

Net Gains (Losses) from Investment Activities

Net gains (losses) from investment activities consist of realized and unrealized gains and losses arising from our investment activities as well as income earned from equity method investments. A large portion of our net gains (losses) from investment activities are related to our private equity investments. Fluctuations in net gains (losses) from investment activities between reporting periods is driven primarily by changes in the fair value of our investment portfolio as well as the realization of investments. The fair value of, as well as the ability to recognize gains from, our private equity and other investments is significantly impacted by the global financial markets, which, in turn, affects the net gains (losses) from investment activities recognized in any given period. Upon the disposition of an investment, previously recognized unrealized gains and losses are reversed and an offsetting realized gain or loss is recognized in the current period. Since our investments are carried at fair value, fluctuations between periods could be significant due to changes to the inputs to our valuation process over time. For a further discussion of our fair value measurements and fair value of investments, see "—Critical Accounting Policies—Fair Value Measurements."

Dividend Income

Dividend income consists primarily of distributions that we and our consolidated investment funds receive from portfolio companies in which they invest. Dividend income is recognized primarily in connection with (i) dispositions of operations by portfolio companies, (ii) distributions of excess cash generated from operations from portfolio companies and (iii) other significant refinancings undertaken by portfolio companies.

Interest Income

Interest income consists primarily of interest that is received on our credit instruments in which we and our consolidated funds and other entities invest as well as interest on our cash balances and other investments.

Interest Expense

Interest expense is incurred from debt issued by KKR, including debt issued by KFN, credit facilities entered into by KKR, debt securities issued by consolidated CFEs and financing arrangements at our consolidated funds entered into primarily with the objective of managing cash flow. KFN's debt obligations are non-recourse to KKR beyond the assets of KFN. Debt securities issued by consolidated CFEs are supported solely by the investments held at the CFE and are not collateralized by assets of any other KKR entity. Our obligations under financing arrangements at our consolidated funds are generally limited to our pro rata equity interest in such funds. However, in some circumstances, we may provide limited guarantees of the obligations of our general partners in an amount equal to its pro rata equity interest in such funds. Our management companies bear no obligations with respect to financing arrangements at our consolidated funds. We also may provide other kinds of guarantees. See "—Liquidity."

Income Taxes

The KKR Group Partnerships and certain of their subsidiaries operate in the United States as partnerships for U.S. federal income tax purposes and as corporate entities in non-U.S. jurisdictions. Accordingly, these entities, in some cases, are subject to New York City unincorporated business taxes, or non-U.S. income taxes. Furthermore, we hold our interest in one of the KKR Group Partnerships through KKR Management Holdings Corp., which is treated as a corporation for U.S. federal income tax purposes, and certain other subsidiaries of the KKR Group Partnerships are treated as corporations for U.S. federal income tax purposes. Accordingly, certain subsidiaries of KKR, including KKR Management Holdings Corp., are subject to U.S. federal, state and local corporate income taxes at the entity level and the related tax provision attributable to KKR's share of this income is reflected in the financial statements. We also generate certain interest income to our unitholders and interest deductions to KKR Management Holdings Corp.

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

The 2017 Tax Act, which was enacted on December 22, 2017, permanently reduces the U.S. federal corporate income tax rate from a maximum of 35% to a 21% rate, effective January 1, 2018. KKR has recognized the provisional tax impacts related to deemed repatriated earnings and the revaluation of deferred tax assets, deferred tax liabilities and the related impact on the tax receivable agreement and included these amounts in its consolidated financial statements for the year ended December 31, 2017. The ultimate impact may differ from these provisional amounts, possibly materially, due to, among other things, additional analysis, changes in interpretations and assumptions KKR has made, additional regulatory guidance that may be issued, and actions KKR may take following the enactment of the 2017 Tax Act. The accounting is expected to be complete when the 2017 U.S. corporate income tax return is filed in 2018. See Note 11 "Income Taxes" to the audited financial statements included in our Annual Report for further information on the financial statement impact of the 2017 Tax Act.

On May 3, 2018, we announced our decision to convert KKR & Co. L.P. from a Delaware limited partnership to a Delaware corporation. See "Part II. Item 5. Other Information" for further information about the Conversion. Prior to the Conversion, KKR’s investment income and carried interest generally was not subject to U.S. corporate income taxes. Subsequent to the Conversion, we expect that all income earned by KKR will be subject to U.S. corporate income taxes, resulting in an overall higher income tax expense (or benefit) in periods subsequent to the Conversion. See "Part II. Item 1A. Risk Factors."

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions including evaluating uncertainties. We review our tax positions quarterly and adjust our tax balances as new information becomes available.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests primarily represents the ownership interests that certain third parties hold in entities that are consolidated in the financial statements as well as the ownership interests in our KKR Group Partnerships that are held by KKR Holdings. The allocable share of income and expense attributable to these interests is accounted for as net income (loss) attributable to noncontrolling interests. Given the consolidation of certain of our investment funds and the significant ownership interests in our KKR Group Partnerships held by KKR Holdings, we expect a portion of net income (loss) will continue to be attributed to noncontrolling interests in our business.

For a further discussion of our noncontrolling interests policies, see Note 2 "Summary of Significant Accounting Policies" to the condensed consolidated financial statements included elsewhere in this report.

Segment Operating and Performance Measures

The segment key performance measures that follow are used by management in making operating and resource deployment decisions as well as assessing the overall performance of each of KKR's reportable business segments. The reportable segments for KKR's business are presented prior to giving effect to the allocation of income (loss) between KKR & Co. L.P. and KKR Holdings L.P. and as such represent the business in total. In addition, KKR's reportable segments are presented without giving effect to the consolidation of the investment funds and CFEs that KKR manages as well as other consolidated entities that are not subsidiaries of KKR & Co. L.P.

We disclose the following financial measures in this report that are calculated and presented using methodologies other than in accordance with GAAP. We believe that providing these performance measures on a supplemental basis to our GAAP results is helpful to unitholders in assessing the overall performance of KKR's businesses. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with GAAP, if available. We caution readers that these non-GAAP financial measures may differ from the calculations of other investment managers, and as a result, may not be comparable to similar measures presented by other investment managers. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, where applicable, are included within Note 14 "Segment Reporting" to the condensed consolidated financial statements included elsewhere in this report and under "—Segment Balance Sheet."

Adjusted Units

Adjusted units are used as a measure of the total common equity ownership of KKR that is held by KKR & Co. L.P. (including equity awards issued under the KKR & Co. L.P. 2010 Equity Incentive Plan (the "Equity Incentive Plan"), but excluding preferred units), KKR Holdings and other holders of securities exchangeable into common units of KKR & Co. L.P. and represent the fully diluted common unit count using the if-converted method. We believe this measure is useful to unitholders as it provides an indication of the total common equity ownership of KKR as if all outstanding KKR Holdings units, equity awards issued under the Equity Incentive Plan and other exchangeable securities had been exchanged for common units of KKR & Co. L.P. The Series A and Series B Preferred Units are not exchangeable for common units of KKR & Co. L.P.

Adjusted Units Eligible for Distribution

Adjusted units eligible for distribution represents the portion of total adjusted units that is eligible to receive a distribution. We believe this measure is useful to unitholders as it provides insight into the calculation of amounts available for distribution on a per unit basis. Adjusted units eligible for distribution is used in the calculation of after-tax distributable earnings per unit.

After-Tax Distributable Earnings

After-tax distributable earnings is used by management as an operating measure of the earnings excluding mark-to-market gains (losses) of KKR. KKR believes this measure is useful to unitholders as it provides a supplemental measure to assess performance, excluding the impact of mark-to-market gains (losses). After-tax distributable earnings excludes certain realized investment losses to the extent unrealized losses on these investments were recognized prior to the combination with KKR Private Equity Investors, L.P. on October 1, 2009. After-tax distributable earnings does not represent and is not used to calculate actual distributions under KKR's distribution policy.

The following tables present our calculations of distributable segment revenues, which is our total segment revenues excluding the impact of mark-to-market gains (losses), distributable segment expenses, which is our total segment expenses excluding the impact of mark-to-market gains (losses), and after-tax distributable earnings on common units for the three months ended March 31, 2018 and 2017. Additionally, the individual components of our calculations of after-tax distributable earnings are reconciled to the most directly comparable GAAP measure in the tables below.

The following table presents our calculation of distributable segment revenues for the three months ended March 31, 2018 and 2017.

	Three Months Ended	
($ in thousands)	**March 31, 2018**	**March 31, 2017**
Distributable Segment Revenues		
Fees and Other, Net		
Management Fees	$ 251,585	$ 208,284
Monitoring Fees	17,530	13,220
Transaction Fees	156,845	243,035
Fee Credits	(43,774)	(89,017)
Total Fees and Other, Net	**382,186**	**375,522**
Realized Performance Income (Loss)		
Incentive Fees	16,407	1,686
Carried Interest	202,555	206,204
Total Realized Performance Income (Loss)	**218,962**	**207,890**
Realized Investment Income (Loss)		
Net Realized Gains (Losses)	7,875	79,451
Interest Income and Dividends	72,577	56,882
Interest Expense	(50,192)	(41,709)
Total Realized Investment Income (Loss)	**30,260**	**94,624**
Total Distributable Segment Revenues	**$ 631,408**	**$ 678,036**

The following table presents our calculation of distributable segment expenses for the three months ended March 31, 2018 and 2017.

	Three Months Ended	
($ in thousands)	**March 31, 2018**	**March 31, 2017**
Distributable Segment Expenses		
Compensation and Benefits		
Cash Compensation and Benefits	$ 138,530	$ 139,435
Performance Income Compensation	94,154	88,067
Total Compensation and Benefits	232,684	227,502
Occupancy and Related Charges	13,583	14,369
Other Operating Expenses	57,905	53,498
Total Distributable Segment Expenses	**$ 304,172**	**$ 295,369**

The following table presents our calculation of after-tax distributable earnings for the three months ended March 31, 2018 and 2017.

	Three Months Ended	
($ in thousands except per unit data)	**March 31, 2018**	**March 31, 2017**
After-tax Distributable Earnings		
Distributable Segment Revenues	$ 631,408	$ 678,036
Distributable Segment Expenses	304,172	295,369
Income (Loss) Attributable to Noncontrolling Interests	1,203	1,584
Income Taxes Paid	14,168	26,275
Preferred Distributions	8,341	8,341
After-tax Distributable Earnings	**$ 303,524**	**$ 346,467**
Per Adjusted Unit Eligible for Distribution	**$ 0.37**	**$ 0.43**

For a discussion of the components that drove the changes in our after-tax distributable earnings, see discussion of (i) management, monitoring and transaction fees, (ii) realized performance income, (iii) realized gains and net interest and dividends within investment income and (iv) expenses excluding unrealized performance income compensation, within "—Segment Analysis."

Subsequent to March 31, 2018 and during the quarter ended June 30, 2018, we expect to realize losses in certain investments, primarily certain credit and energy investments, in advance of the Conversion in the amount of approximately $650 million. Since these investments have already been largely written down in periods prior to March 31, 2018, the realization of losses from these investments are not expected to have a significant impact on our total investment income or cash flows in the quarter ended June 30, 2018. These losses are being realized in advance of the Conversion and given the extraordinary nature of the Conversion, we expect to exclude these realized losses, which would otherwise reduce after-tax distributable earnings, from our reported after-tax distributable earnings in the second quarter of 2018.

The following are reconciliations of the individual components of the calculation of after-tax distributable earnings to the most directly comparable GAAP measure.

	Three Months Ended	
($ in thousands)	**March 31, 2018**	**March 31, 2017**
Total Revenues	**$ 472,606**	**$ 767,755**
Plus: Management fees relating to consolidated funds and placement fees	63,858	47,102
Less: Fee credits relating to consolidated funds	14,721	939
Plus: Net realized and unrealized carried interest - consolidated funds	28,076	11,057
Less: General partner capital interest - unconsolidated funds	15,465	51,803
Plus: Total investment income (loss)	238,122	298,660
Less: Revenue earned by oil & gas producing entities	14,507	17,273
Less: Expense reimbursements	20,211	23,549
Less: Other	10,220	8,312
Total Segment Revenues	**$ 727,538**	**$ 1,022,698**
Less: Unrealized Carried Interest	(111,732)	140,626
Less: Net Unrealized Gains (Losses)	207,862	204,036
Total Distributable Segment Revenues	**$ 631,408**	**$ 678,036**

($ in thousands)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017
Total Expenses	**$ 436,601**	**$ 540,014**
Less: Equity-based and other non-cash compensation	96,227	111,036
Less: Reimbursable expenses and placement fees	27,761	36,123
Less: Operating expenses relating to consolidated funds, CFEs and other entities	21,805	13,430
Less: Expenses incurred by oil & gas producing entities	11,101	11,177
Less: Intangible amortization	5,030	6,366
Less: Other	13,628	9,299
Total Segment Expenses	**$ 261,049**	**$ 352,583**
Less: Unrealized Performance Income Compensation	(43,123)	57,214
Total Distributable Segment Expenses	**$ 304,172**	**$ 295,369**

Assets Under Management ("AUM")

Assets under management represent the assets managed or advised by KKR from which KKR is entitled to receive fees or a carried interest (either currently or upon deployment of capital), general partner capital and assets managed or advised by strategic manager partnerships in which KKR holds a minority ownership interest. We believe this measure is useful to unitholders as it provides additional insight into the capital raising activities of KKR and its strategic manager partnerships and the overall activity in their investment funds and other managed capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR's investment funds; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or carried interest; (iii) the fair value of investments in KKR's co-investment vehicles; (iv) the par value of outstanding CLOs (excluding CLOs wholly-owned by KKR); (v) KKR's pro rata portion of the AUM of strategic manager partnerships in which KKR holds a minority ownership interest; and (vi) the fair value of other assets managed by KKR. The pro rata portion of the AUM of strategic manager partnerships is calculated based on KKR's percentage ownership interest in such entities multiplied by such entity's respective AUM. KKR's definition of AUM is not based on any definition of AUM that may be set forth in the agreements governing the investment funds, vehicles or accounts that it manages or calculated pursuant to any regulatory definitions.

Book Value

Book value is a measure of the net assets of KKR's reportable segments and is used by management primarily in assessing the unrealized value of KKR's investments and other assets, including carried interest. We believe this measure is useful to unitholders as it provides additional insight into the assets and liabilities of KKR excluding the assets and liabilities that are allocated to noncontrolling interest holders and to the holders of the Series A and Series B Preferred Units.

Capital Invested

Capital invested is the aggregate amount of capital invested by (i) KKR's investment funds, (ii) KKR's Principal Activities segment as a co-investment, if any, alongside KKR's investment funds, and (iii) the Principal Activities segment in connection with a syndication transaction conducted by KKR's Capital Markets segment, if any. Capital invested is used as a measure of investment activity at KKR during a given period. We believe this measure is useful to unitholders as it provides a measure of capital deployment across KKR's business segments. Capital invested includes investments made using investment financing arrangements like credit facilities, as applicable. Capital invested excludes (i) investments in certain leveraged credit strategies, (ii) capital invested by KKR's Principal Activities segment that is not a co-investment alongside KKR's investment funds, and (iii) capital invested by the Principal Activities segment that is not invested in connection with a syndication transaction by KKR's Capital Markets segment. Capital syndicated by our Capital Markets segment to third parties other than KKR's investment funds or Principal Activities segment is not included in capital invested. See also "—Syndicated Capital."

Economic Net Income (Loss) ("ENI")

Economic net income (loss) is a measure of profitability for KKR's reportable segments and is an alternative measurement of the operating and investment earnings of KKR and its business segments. We believe this measure may provide additional insight into the overall profitability of KKR's businesses inclusive of carried interest, incentive fees and related carry pool allocations and investment income. ENI is comprised of total segment revenues less total segment expenses and certain economic interests in KKR's segments held by third parties. Pre-tax Economic Net Income (Loss) represents Economic Net Income (Loss) after equity-based compensation. After-tax Economic Net Income (Loss) represents Economic Net Income (Loss) after equity-based compensation, provision for income taxes and preferred distributions.

Fee Paying AUM ("FPAUM")

Fee paying AUM represents only the AUM from which KKR receives management fees. We believe this measure is useful to unitholders as it provides additional insight into the capital base upon which KKR earns management fees. FPAUM is the sum of all of the individual fee bases that are used to calculate KKR's and its strategic manager partnership management fees and differs from AUM in the following respects: (i) assets and commitments from which KKR does not receive a management fee are excluded (e.g., assets and commitments with respect to which it receives only carried interest or is otherwise not currently receiving a management fee) and (ii) certain assets, primarily in its private equity funds, are reflected based on capital commitments and invested capital as opposed to fair value because fees are not impacted by changes in the fair value of underlying investments.

Fee Related Earnings ("FRE")

Fee related earnings is a measure of the operating earnings of KKR and its business segments before performance income, related performance income compensation and investment income. KKR believes this measure may be useful to unitholders as it provides additional insight into the operating profitability of KKR's fee generating management companies and capital markets businesses.

Outstanding Adjusted Units

Outstanding adjusted units represents the portion of total adjusted units that would receive assets of KKR if it were to be liquidated as of a particular date. Outstanding adjusted units is used to calculate book value per outstanding adjusted unit, which we believe is useful to unitholders as it provides a measure of net assets of KKR's reportable segments on a per unit basis.

Syndicated Capital

Syndicated capital is generally the aggregate amount of capital in transactions originated by KKR and its investment funds and carry-yielding co-investment vehicles, which has been distributed to third parties in exchange for a fee. It does not include (i) capital invested in such transactions by KKR investment funds and carry-yielding co-investment vehicles, which is instead reported in capital invested, (ii) debt capital that is arranged as part of the acquisition financing of transactions originated by KKR investment funds and (iii) debt capital that is either underwritten or arranged on a best efforts basis. Syndicated capital is used as a measure of investment activity for KKR during a given period, and we believe that this measure is useful to unitholders as it provides additional insight into levels of syndication activity in KKR's Capital Markets segment and across its investment platfor m .

Uncalled Commitments

Uncalled commitments are used as a measure of unfunded capital commitments that KKR's investment funds and carry-paying co-investment vehicles have received from partners to contribute capital to fund future investments. We believe this measure is useful to unitholders as it provides additional insight into the amount of capital that is available to KKR's investment funds to make future investments. Uncalled commitments are not reduced for investments completed using fund-level investment financing arrangements.

A reconciliation of Net Income (Loss) Attributable to KKR & Co. L.P. Common Unitholders on a GAAP basis to ENI, FRE and After-tax Distributable Earnings is provided below. For a discussion of the components that drove the changes in our FRE, see discussion of (i) management, monitoring and transaction fees and (ii) expenses of our Private Markets, Public Markets and Capital Markets segments excluding performance income compensation in "—Segment Analysis."

	Three Months Ended	
($ in thousands)	**March 31, 2018**	**March 31, 2017**
Net Income (Loss) Attributable to KKR & Co. L.P. Common Unitholders	$ 170,102	$ 259,343
Plus: Preferred Distributions	8,341	8,341
Plus: Net income (loss) attributable to noncontrolling interests held by KKR Holdings L.P.	121,002	216,432
Plus: Equity-based and other non-cash compensation	100,491	111,036
Plus: Amortization of intangibles, placement fees and other, net	47,709	32,837
Plus: Income tax (benefit)	17,641	40,542
Economic Net Income (Loss)	465,286	668,531
Plus: Income attributable to segment noncontrolling interests	1,203	1,584
Less: Total investment income (loss)	238,122	298,660
Less: Net performance income (loss)	56,199	203,235
Plus: Expenses of Principal Activities Segment	51,262	53,769
Fee Related Earnings	223,430	221,989
Plus: Net interest and dividends	22,385	15,173
Less: Expenses of Principal Activities Segment	51,262	53,769
Plus: Realized performance income (loss), net	124,808	119,823
Plus: Net realized gains (losses)	7,875	79,451
Less: Income taxes paid	14,168	26,275
Less: Preferred distributions	8,341	8,341
Less: Income attributable to segment noncontrolling interests	1,203	1,584
After-tax Distributable Earnings	$ 303,524	$ 346,467

Unaudited Condensed Consolidated Results of Operations

The following is a discussion of our condensed consolidated results of operations for the three months ended March 31, 2018 and 2017 . You should read this discussion in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this report. For a more detailed discussion of the factors that affected the results of operations of our four business segments in these periods, see "—Segment Analysis."

Three months ended March 31, 2018 compared to three months ended March 31, 2017

	Three Months Ended		
	March 31, 2018	March 31, 2017	Change
	($ in thousands)		
Revenues			
Fees and Other	$ 394,394	$ 380,179	$ 14,215
Capital Allocation-Based Income	78,212	387,576	(309,364)
Total Revenues	472,606	767,755	(295,149)
Expenses			
Compensation and Benefits	298,136	402,963	(104,827)
Occupancy and Related Charges	14,215	14,851	(636)
General, Administrative and Other	124,250	122,200	2,050
Total Expenses	436,601	540,014	(103,413)
Investment Income (Loss)			
Net Gains (Losses) from Investment Activities	472,800	506,645	(33,845)
Dividend Income	33,064	9,924	23,140
Interest Income	298,256	280,980	17,276
Interest Expense	(219,590)	(186,854)	(32,736)
Total Investment Income (Loss)	584,530	610,695	(26,165)
Income (Loss) Before Taxes	620,535	838,436	(217,901)
Income Taxes	17,641	40,542	(22,901)
Net Income (Loss)	602,894	797,894	(195,000)
Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	25,674	20,933	4,741
Net Income (Loss) Attributable to Noncontrolling Interests	398,777	509,277	(110,500)
Net Income (Loss) Attributable to KKR & Co. L.P.	178,443	267,684	(89,241)
Less: Net Income Attributable to Series A Preferred Unitholders	5,822	5,822	—
Less: Net Income Attributable to Series B Preferred Unitholders	2,519	2,519	—
Net Income (Loss) Attributable to KKR & Co. L.P. Common Unitholders	$ 170,102	$ 259,343	$ (89,241)

Revenues

For the three months ended March 31, 2018 and 2017 , revenues consisted of the following:

	Three Months Ended		
	March 31, 2018	March 31, 2017	Change
Management Fees	$ 187,727	$ 161,182	$ 26,545
Transaction Fees	158,653	243,658	(85,005)
Monitoring Fees	17,586	13,504	4,082
Fee Credits	(29,053)	(88,078)	59,025
Incentive Fees	13,805	273	13,532
Expense Reimbursements	20,211	23,265	(3,054)
Oil and Gas Revenue	14,507	17,273	(2,766)
Consulting Fees	10,958	9,102	1,856
Total Fees and Other	394,394	380,179	14,215
Carried Interest	62,747	335,773	(273,026)
General Partner Capital Interest	15,465	51,803	(36,338)
Total Capital Allocation-Based Income	78,212	387,576	(309,364)
Total Revenues	$ 472,606	$ 767,755	$ (295,149)

Prior to January 1, 2018, to the extent an investment fund was not consolidated, KKR accounted for carried interest within Fees and Other separately from its general partner capital interest, which was included in Net Gains (Losses) from Investment Activities in the condensed consolidated statements of operations. Effective January 1, 2018, the carried interest component of the general partner interest and the capital interest KKR holds in its investment funds as the general partner are accounted for as a single unit of account and reported in capital allocation-based income within Revenues in the condensed consolidated statements of operations. This change in accounting has been applied on a full retrospective basis. See Note 2 "Summary of Significant Accounting Policies" to the condensed consolidated financial statements included elsewhere in this report.

Total Fees and Other for the three months ended March 31, 2018 increased compared to the three months ended March 31, 2017 primarily as a result of a decrease in fee credits and, to a lesser extent, an increase in management fees, partially offset by a decrease in transaction fees. For a more detailed discussion of the factors that affected our management fees, transaction fees, monitoring fees, fee credits and incentive fees during the period, see "—Segment Analysis."

The decrease in carried interest and general partner capital interest during the three months ended March 31, 2018 was due primarily to a lower level of net appreciation in the value of our private equity portfolio as compared to the three months ended March 31, 2017. For a more detailed discussion of the factors that affected our Private Markets and Public Markets carried interest during the period, see "—Segment Analysis—Private Markets—Segment Revenues—Performance Income" and "—Segment Analysis—Public Markets—Segment Revenues—Performance Income." For a more detailed discussion of the factors that affected our general partner capital interest during the period, see "—Segment Analysis—Principal Activities—Segment Revenues—Investment Income."

Compensation and Benefits Expenses

The decrease was primarily due to a lower level of performance income compensation reflecting a lower level of appreciation in the value of our private equity portfolio during the three months ended March 31, 2018 compared to the three months ended March 31, 2017 .

General, Administrative and Other Expenses

The increase was primarily due to an increase in professional fees and travel expenses incurred as compared to the prior period. These increases were partially offset by (i) a decrease in placement fees incurred in connection with capital raising activity during the three months ended March 31, 2017 as compared to the prior period and (ii) expenses of KKR Prisma that had been reported on a gross basis prior to the closing of the PAAMCO Prisma transaction on June 1, 2017 and that are now reflected as part of our allocation of the net income of PAAMCO Prisma after June 1, 2017, resulting in a decrease in our reported General, Administrative and Other Expenses.

Net Gains (Losses) from Investment Activities

The following is a summary of net gains (losses) from investment activities:

	Three Months Ended	
	March 31, 2018	March 31, 2017
	($ in thousands)	
Private Equity	$ 174,622	$ 110,101
Credit	59,413	33,282
Investments of Consolidated CFEs	(74,919)	11,880
Real Assets	72,254	9,858
Equity Method - Other	144,814	35,033
Other Investments	(157,834)	105,720
Debt Obligations and Other	108,688	(29,402)
Other Net Gains (Losses) from Investment Activities	145,762	230,173
Net Gains (Losses) from Investment Activities	$ 472,800	$ 506,645

Prior to January 1, 2018, to the extent an investment fund was not consolidated, KKR accounted for its general partner capital interest in Net Gains (Losses) from Investment Activities in the statements of operations. Effective January 1, 2018, the general partner capital interest and the carried interest component of the general partner interest are accounted for as a single unit of account and reported within Revenues in the statements of operations. This change in accounting has been applied on a full retrospective basis. See Note 2 "Summary of Significant Accounting Policies" to the condensed consolidated financial statements included elsewhere in this report.

The net gains from investment activities for the three months ended March 31, 2018 were comprised of net realized gains of $30.4 million and net unrealized gains of $442.4 million .

Realized Gains from Investment Activities

For the three months ended March 31, 2018 , realized gains related primarily to (i) the partial sale of growth equity investments held through certain consolidated entities and (ii) the partial sale of an investment in K Twin Towers (real estate sector) held directly by KKR.

Realized Losses from Investment Activities

Partially offsetting these realized gains were realized losses primarily relating to the sale of (i) alternative credit assets in our consolidated special situations funds and (ii) the sale of investments held by our consolidated CLOs.

Unrealized Gains from Investment Activities

For the three months ended March 31, 2018 , net unrealized gains were driven primarily by (i) mark-to-market gains in our growth equity investments held directly by KKR and certain consolidated entities, (ii) gains in our private equity portfolio held directly by KKR, the most significant of which were gains on our investments in USI, Inc. (financial services sector) and WMIH Corp. (NASDAQ: WMIH), and (iii) mark-to-market gains on alternative credit assets in our consolidated special situations funds.

Unrealized Losses from Investment Activities

Partially offsetting the unrealized gains above were unrealized losses relating to mark-to-market losses on our private equity portfolio held directly by KKR, the most significant of which was First Data Corporation (NYSE: FDC).

For a discussion of other factors that affected KKR's investment income, see "—Segment Analysis."

Net Gains (Losses) from Investment Activities for the three months ended March 31, 2017

The net gains from investment activities for the three months ended March 31, 2017 were comprised of net realized gains of $146.2 million and net unrealized gains of $412.3 million.

Realized Gains and Losses from Investment Activities

For the three months ended March 31, 2017, net realized gains were comprised primarily of realized gains on sales of private equity investments held directly by KKR, including the final sale of Galenica AG (VTX: GALN) and HCA Holdings, Inc. (NYSE: HCA) and a partial sale of US Foods Holding Corp. (NYSE: USFD).

Unrealized Gains from Investment Activities

For the three months ended March 31, 2017, net unrealized gains were driven primarily by (i) mark-to-market gains in our private equity portfolio held directly by KKR including unrealized gains in First Data Corporation, (ii) mark-to-market gains on alternative credit assets in our consolidated special situations funds and KFN and (iii) mark-to-market gains on investments held through consolidated CMBS structures.

Unrealized Losses from Investment Activities

Partially offsetting the unrealized gains for the three months ended March 31, 2017 were unrealized losses, the most significant of which were unrealized losses relating to (i) the reversal of unrealized gains on the final sale of Galenica AG and HCA Holdings, Inc. and the partial sale of US Foods Holding Corp., and (ii) mark-to-market losses on debt held through consolidated CMBS.

For a discussion of other factors that affected KKR's investment income, see "—Segment Analysis."

Dividend Income

During the three months ended March 31, 2018 , the most significant dividends received included $11.4 million from our consolidated real estate funds, $6.2 million from our consolidated special situations funds and KFN and $5.6 million from our private equity investment in Internet Brands, Inc. (technology sector). During the three months ended March 31, 2017 , the most significant dividends received included $9.9 million from various investments across a variety of investment strategies. Significant dividends from portfolio companies are generally not recurring quarterly dividends, and while they may occur in the future, their size and frequency are variable. For a discussion of other factors that affected KKR's dividend income, see "—Segment Analysis."

Interest Income

The increase in interest income during the three months ended March 31, 2018 compared to the three months ended March 31, 2017 was primarily due to a higher level of interest earned related to (i) an increase in the amount of investments held by KKR Real Estate Finance Trust Inc. ("KREF"), our REIT, compared to the prior period (ii) the closing of three additional CLOs subsequent to the three months ended March 31, 2017 and (iii) an increase in the amount of investments held at our India debt financing company as compared to the prior period. These increases were partially offset by a decrease in interest income related to certain notes issued by consolidated CLOs being called for redemption subsequent to March 31, 2017. For a discussion of other factors that affected KKR's interest income, see "—Segment Analysis."

Interest Expense

The increase in interest expense during the three months ended March 31, 2018 compared to the three months ended March 31, 2017 was primarily due to the impact of (i) the closing of three additional CLOs subsequent to the three months ended March 31, 2017, (ii) increased interest on amounts outstanding under KREF's repurchase facilities used to finance investments in commercial loans, (iii) increased borrowings at KFN and (iv) increased borrowings at our India debt financing company. These increases were partially offset by a decrease in interest expense associated with our consolidated credit funds. For a discussion of other factors that affected KKR's interest expense, see "—Segment Analysis."

Income (Loss) Before Taxes

The decrease in income (loss) before taxes was due primarily to a lower level of carried interest gains in our private equity portfolio, a lower level of net gains from investment activities, and a higher level of interest expense, partially offset by an increase in dividend and interest income, in each case as described above.

Income Taxes

The decrease in income taxes is due primarily to the impact of the 2017 Tax Act which was enacted on December 22, 2017. The 2017 Tax Act, among other provisions, reduced the U.S. federal corporate tax rate from 35% to 21%. Accordingly, a lower amount of income tax expense was incurred during the three months ended March 31, 2018 for those entities within KKR's business that are currently subject to corporate income tax, which generally include our management companies and capital markets companies. Prior to the Conversion, the majority of KKR's investment income and carried interest was generally not subject to corporate income taxes. Subsequent to the Conversion we expect that all income earned by KKR will be subject to corporate income taxes resulting in an overall higher income tax expense (or benefit) in periods subsequent to the Conversion. See "Part II. Item 1A. Risk Factors— As a result of the Conversion, we expect to pay more corporate income taxes and also expect to make larger payments under our tax receivable agreement than we would as a limited partnership. We also expect the anticipated amount of annual dividends to our Class A common stockholders immediately following the Conversion, if declared, to be lower than the distribution amounts we declared in prior annual periods as a limited partnership. In addition, we may fail to realize all or some of the anticipated benefits of the Conversion or those benefits may take longer to realize than expected, which could have a material and adverse impact on the trading price of our securities. "

Net Income (Loss) Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests for the three months ended March 31, 2018 relates primarily to net income attributable to KKR Holdings representing its ownership interests in the KKR Group Partnerships as well as third-party limited partner interests in those investment funds that we consolidate. The decrease from the prior period is due primarily to lower amounts attributed to KKR Holdings in connection with a lower level of income recognized for the three months ended March 31, 2018 as compared to the prior period, as well as a reduction in KKR Holdings' ownership percentage in the KKR Group Partnerships.

Net Income (Loss) Attributable to KKR & Co. L.P.

The decrease for the three months ended March 31, 2018 was primarily due to a lower level of carried interest and net investment gains in the current period as compared to the prior period.

Condensed Consolidated Statements of Financial Condition

The following table provides the condensed consolidated statements of financial condition on a GAAP Basis as of March 31, 2018 and December 31, 2017 .

(Amounts in thousands, except common unit and per common unit amounts)

	As of March 31, 2018	As of December 31, 2017
Assets		
Cash and Cash Equivalents	$ 1,880,834	$ 1,876,687
Investments	42,101,905	39,013,934
Other	3,596,414	4,944,098
Total Assets	**47,579,153**	**45,834,719**
Liabilities and Equity		
Debt Obligations	22,041,271	21,193,859
Other Liabilities	3,768,944	3,978,060
Total Liabilities	**25,810,215**	**25,171,919**
Redeemable Noncontrolling Interests	690,630	610,540
Equity		
Series A Preferred Units	332,988	332,988
Series B Preferred Units	149,566	149,566
KKR & Co. L.P. Capital - Common Unitholders	6,918,185	6,703,382
Noncontrolling Interests	13,677,569	12,866,324
Total Equity	**21,078,308**	**20,052,260**
Total Liabilities and Equity	**$ 47,579,153**	**$ 45,834,719**
KKR & Co. L.P. Capital Per Outstanding Common Unit - Basic	**$ 14.14**	**$ 13.79**

Condensed Consolidated Statements of Cash Flows

The accompanying condensed consolidated statements of cash flows include the cash flows of our consolidated entities which include certain consolidated investment funds and CFEs notwithstanding the fact that we may hold only a minority economic interest in those funds and CFEs.

The assets of our consolidated funds and CFEs, on a gross basis, can be substantially larger than the assets of our business and, accordingly, could have a substantial effect on the cash flows reflected in our consolidated statements of cash flows. The primary cash flow activities of our consolidated funds and CFEs involve: (i) capital contributions from fund investors; (ii) using the capital of fund investors to make investments; (iii) financing certain investments with indebtedness; (iv) generating cash flows through the realization of investments; and (v) distributing cash flows from the realization of investments to fund investors. Because our consolidated funds and CFEs are treated as investment companies for accounting purposes, certain of these cash flow amounts are included in our cash flows from operations.

On January 1, 2018, KKR adopted ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, which amends the guidance to add or clarify guidance on the classification and presentation of restricted cash in the statement of cash flows. Upon adoption, (i) Restricted Cash and Cash Equivalents and (ii) Cash and Cash Equivalents Held at Consolidated Entities were (a) included in the cash and cash-equivalents balances in the condensed consolidated statements of cash flows and (b) disclosed in a reconciliation between the condensed consolidated statements of financial condition and the condensed consolidated statements of cash flows. This guidance has been applied on a full retrospective basis. For the three months ended March 31, 2017, $32.5 million of cash provided by operating activities and $83.3 million of cash provided by investing activities were removed from net cash provided (used) by operating activities and net cash provided (used) by investing activities, respectively, and included in net increase/(decrease) in cash, cash-equivalents and restricted cash in the condensed consolidated statements of cash flows.

Net Cash Provided (Used) by Operating Activities

Our net cash provided (used) by operating activities was $(2.2) billion and $(1.2) billion during the three months ended March 31, 2018 and 2017 , respectively. These amounts primarily included: (i) proceeds from investments net of investments purchased of $(2.7) billion and $(2.0) billion during the three months ended March 31, 2018 and 2017 , respectively; (ii) net realized gains (losses) on investments of $30.4 million and $146.2 million during the three months ended March 31, 2018 and 2017 , respectively; (iii) change in unrealized gains (losses) on investments of $442.4 million and $360.5 million during the three months ended March 31, 2018 and 2017 respectively; and (iv) capital allocation-based income of $78.2 million and $387.6 million during the three months ended March 31, 2018 and 2017 , respectively. Investment funds are, for GAAP purposes, investment companies and reflect their investments and other financial instruments at fair value.

Net Cash Provided (Used) by Investing Activities

Our net cash provided (used) by investing activities was $(8.7) million and $(21.6) million during the three months ended March 31, 2018 and 2017 , respectively. Our investing activities included: (i) the purchase of fixed assets of $(8.7) million and $(21.4) million during the three months ended March 31, 2018 and 2017 , respectively; and (iii) development of oil and natural gas properties of $(0.2) million for the three months ended March 31, 2017 .

Net Cash Provided (Used) by Financing Activities

Our net cash provided (used) by financing activities was $1.2 billion and $1.3 billion during the three months ended March 31, 2018 and 2017 , respectively. Our financing activities primarily included: (i) distributions to, net of contributions by, our noncontrolling and redeemable noncontrolling interests of $0.5 billion and $0.4 billion during the three months ended March 31, 2018 and 2017 , respectively; (ii) proceeds received net of repayment of debt obligations of $0.8 billion and $1.0 billion during the three months ended March 31, 2018 and 2017 , respectively; (iii) distributions to our partners of $(82.8) million and $(72.4) million during the three months ended March 31, 2018 and 2017 , respectively; and (iv) preferred unit distributions of $(8.3) million during the three months ended March 31, 2018 and 2017 .

Segment Analysis

The following is a discussion of the results of our four reportable business segments for the three months ended March 31, 2018 and 2017 . You should read this discussion in conjunction with the information included under "—Basis of Accounting—Segment Operating and Performance Measures" and the condensed consolidated financial statements and related notes included elsewhere in this report.

Expense Allocations

Certain expenses are allocated among our operating segments. Specifically, as described below, (i) a portion of expenses, except for broken deal expenses, originating in our Private Markets, Public Markets and Capital Markets segments are reflected in the Principal Activities segment and (ii) corporate expenses are allocated across all segments.

Expenses Allocated to Principal Activities

KKR allocates certain expenses to its Principal Activities segment. The Principal Activities segments incurs its own direct costs, and an allocation from the other segments is also made to reflect the estimated amount of costs that are necessary to operate our Principal Activities segment, which are incremental to those costs incurred directly by the Principal Activities segment. These allocable expenses consist of a portion of our cash compensation and benefits, occupancy and related charges and other operating expenses that are initially recognized within our Private Markets, Public Markets and Capital Markets segments. Consistent with prior years, the total amount of expenses (other than its direct costs) that is allocated to Principal Activities is based on the proportion of revenue earned by Principal Activities, relative to other operating segments' revenue, over the preceding four calendar years. However, this allocation percentage will not be less than the allocation percentage calculated using the cumulative amount of such revenues since 2009 (the year we completed the KPE transaction). For 2018, KKR determined that this allocation percentage is 24.3% . This allocation percentage is expected to be updated annually or more frequently if there are material changes to our business.

Below is a summary of the allocation to Principal Activities, relative to other operating segments, for the 2018 and 2017 periods.

- 2018 Allocation: 24.3% , based on cumulative revenues earned since 2009
- 2017 Allocation: 25.7%, based on cumulative revenues earned since 2009

Once the total amount of expense to be allocated to the Principal Activities segment is estimated for each reporting period, the amount of this expense will be allocated from the Private Markets, Public Markets and Capital Markets segments based on the proportion of headcount in each of these three segments.

Allocations of Corporate Expenses

Corporate expenses are allocated to each of the Private Markets, Public Markets, Capital Markets and Principal Activities segments based on the proportion of revenues earned by each segment over the preceding four calendar years. However, to the extent that expenses allocated to Principal Activities, as described above, is based on the cumulative amount of such revenues since 2009, corporate expenses will also be allocated based on the proportion of revenues earned by each segment since 2009.

Below is a summary of the allocations percentages used for corporate expenses to each of our operating segments for the 2018 and 2017 periods.

	Expense Allocation	
Segment	**2018**	**2017**
Private Markets	59.7%	59.6%
Public Markets	9.5%	9.0%
Capital Markets	6.5%	5.7%
Principal Activities	24.3%	25.7%
Total Reportable Segments	100.0%	100.0%
Allocation basis	Cumulative revenue since 2009	Cumulative revenue since 2009

Private Markets Segment

The following tables set forth information regarding the results of operations and certain key operating metrics for our Private Markets segment for the three months ended March 31, 2018 and 2017 .

Three months ended March 31, 2018 compared to three months ended March 31, 2017

	Three Months Ended		
	March 31, 2018	March 31, 2017	Change
	($ in thousands)		
Segment Revenues			
Management, Monitoring and Transaction Fees, Net			
Management Fees	$ 158,190	$ 123,512	$ 34,678
Monitoring Fees	17,530	13,220	4,310
Transaction Fees	46,689	117,882	(71,193)
Fee Credits	(41,343)	(85,650)	44,307
Total Management, Monitoring and Transaction Fees, Net	181,066	168,964	12,102
Performance Income			
Realized Incentive Fees	—	—	—
Realized Carried Interest	202,555	206,204	(3,649)
Unrealized Carried Interest	(141,240)	123,506	(264,746)
Total Performance Income	61,315	329,710	(268,395)
Investment Income (Loss)			
Net Realized Gains (Losses)	—	—	—
Net Unrealized Gains (Losses)	—	—	—
Total Realized and Unrealized	—	—	—
Interest Income and Dividends	—	—	—
Interest Expense	—	—	—
Net Interest and Dividends	—	—	—
Total Investment Income (Loss)	—	—	—
Total Segment Revenues	242,381	498,674	(256,293)
Segment Expenses			
Compensation and Benefits			
Cash Compensation and Benefits	59,719	60,008	(289)
Realized Performance Income Compensation	87,099	87,393	(294)
Unrealized Performance Income Compensation	(55,379)	50,366	(105,745)
Total Compensation and Benefits	91,439	197,767	(106,328)
Occupancy and related charges	7,876	8,107	(231)
Other operating expenses	28,302	26,887	1,415
Total Segment Expenses	127,617	232,761	(105,144)
Income (Loss) attributable to noncontrolling interests	—	—	—
Economic Net Income (Loss)	$ 114,764	$ 265,913	$ (151,149)
Assets Under Management	$ 102,240,200	$ 80,197,600	$ 22,042,600
Fee Paying Assets Under Management	$ 61,506,200	$ 56,667,600	$ 4,838,600
Capital Invested	$ 2,366,700	$ 4,484,200	$ (2,117,500)
Uncalled Commitments	$ 50,300,500	$ 35,071,700	$ 15,228,800

Segment Revenues

Management, Monitoring and Transaction Fees, Net

The net increase for the quarter ended March 31, 2018 as compared to the quarter ended March 31, 2017 was primarily due to an increase in management fees as well as a decrease in fee credits, partially offset by a decrease in transaction fees.

The increase in management fees was primarily due to (i) the new management fees paid by the Asian Fund III when it entered its investment period in the second quarter of 2017, and (ii) new capital raised in our Health Care Strategic Growth Fund. This net increase was partially offset by decreases due to (i) the lower management fees paid by the Asian Fund II when it entered its post-investment period in the second quarter of 2017, in which it pays fees at a lower rate than during the investment period and based on capital invested at the time rather than total committed capital, and (ii) lower management fees calculated based on lower levels of invested capital as a result of realizations primarily in our Real Estate Partners Fund, Asian Fund and European Fund III.

The decrease in transaction fees was primarily attributable to a decrease in both the number and size of transaction fee-generating investments. During the three months ended March 31, 2018 , there were 9 transaction fee-generating investments that paid an average fee of $5.2 million compared to 13 transaction fee-generating investments that paid an average fee of $9.1 million during the three months ended March 31, 2017 . For the three months ended March 31, 2018, approximately 49% of these transaction fees were paid by companies located in North America, 46% were paid from companies located in the Asia-Pacific region and 5% were paid from companies in Europe. Transaction fees vary by investment based upon a number of factors, the most significant of which are transaction size, the particular discussions as to the amount of the fees, the complexity of the transaction and KKR's role in the transaction. The decrease in fee credits is due primarily to a lower level of transaction fees.

Recurring monitoring fees increased $4.3 million, which was primarily the result of an increase in the number of portfolio companies paying monitoring fees. For the three months ended March 31, 2018 , we had 54 portfolio companies that were paying an average monitoring fee of $0.3 million compared with 48 portfolio companies that were paying an average monitoring fee of $0.3 million for the three months ended March 31, 2017 . There were no termination payments for the three months ended March 31, 2018 and 2017. These termination payments may occur in the future; however, they are infrequent in nature and are generally correlated with the initial public offering and other realization activity in our private equity portfolio, and are expected to continue to be smaller in size and number compared to prior periods.

Performance Income

The net decrease is attributable to a lower level of net carried interest gains in the three months ended March 31, 2018 compared to the three months ended March 31, 2017 , primarily reflecting a lower level of appreciation in the value of our private equity portfolio in the current period compared to the prior period.

Realized carried interest for the three months ended March 31, 2018 , consisted primarily of realized gains from the partial sales of Weld North (education sector) and GoDaddy Inc. (NYSE: GDDY) and a dividend received from Internet Brands, Inc.

Realized carried interest for the three months ended March 31, 2017 consisted primarily of realized gains from the final sales of Galenica AG and HCA Holdings, Inc. and the partial sale of US Foods Holding Corp.

The following table presents performance income by investment vehicle for the three months ended March 31, 2018 and 2017 :

	Three Months Ended March 31,					
	2018			2017		
	($ in thousands)					
	Realized Carried Interest	Unrealized Carried Interest	Total Carried Interest	Realized Carried Interest	Unrealized Carried Interest	Total Carried Interest
Co-Investment Vehicles and Other	$ 1,669	$ 69,338	$ 71,007	$ 2,303	$ 17,634	$ 19,937
European Fund IV	—	44,676	44,676	—	1,730	1,730
European Fund III	11,993	17,922	29,915	—	30,636	30,636
Asian Fund II	16,346	4,692	21,038	—	32,642	32,642
Millennium Fund	—	8,667	8,667	28,266	(20,087)	8,179
Global Infrastructure Investors II	—	4,383	4,383	—	—	—
Asian Fund	10,566	(7,105)	3,461	14,293	(2,299)	11,994
Next Generation Technology Growth	—	3,425	3,425	—	963	963
Real Estate Partners Americas	143	1,956	2,099	—	3,991	3,991
Americas Fund XII	—	1,183	1,183	—	—	—
E2 Investors	—	—	—	—	(306)	(306)
European Fund II	438	(458)	(20)	18,109	(23,282)	(5,173)
Global Infrastructure Investors	—	(608)	(608)	—	15,702	15,702
2006 Fund	125,950	(134,934)	(8,984)	111,823	(63,848)	47,975
China Growth Fund	—	(10,599)	(10,599)	6,891	(3,014)	3,877
North America Fund XI	35,450	(143,778)	(108,328)	24,519	133,044	157,563
Total [1]	$ 202,555	$ (141,240)	$ 61,315	$ 206,204	$ 123,506	$ 329,710

[1] The above table excludes any funds for which there was no carried interest during either of the periods presented.

Unrealized carried interest reflects the difference between total carried interest and realized carried interest. The recognition of realized carried interest results in the reversal of accumulated unrealized carried interest, generally resulting in minimal impact on total performance income. Additionally, because unrealized carried interest can be reversed upon a realization event, in periods where there is significant realized carried interest, unrealized carried interest can be negative even in periods of portfolio appreciation.

For the three months ended March 31, 2018 , the value of our private equity investment portfolio increased 0.4%. This was comprised of a 3.6% increase in value of our privately held investments and a 6.5% decrease in the share prices of various publicly held or publicly indexed investments.

The most significant increases in value of our privately held investments were gains relating to Ambea Mehiläinen (health care sector), Cognita (education sector) and Hensoldt (industrial sector). The unrealized gains on our privately held investments were partially offset by unrealized losses relating primarily to Arbor Pharmaceuticals, Inc. (health care sector), Sundrop Farms Holdings Limited (agriculture sector) and Westbrick Energy Ltd. (energy sector). The increased valuations of individual companies in our privately held investments, in the aggregate, generally related to individual company performance. The decreased valuations of individual companies in our privately held investments, in the aggregate, generally related to (i) individual company performance or, in certain cases, an unfavorable business outlook and (ii) a decrease in the value of market comparables.

The most significant decreases in share prices of various publicly held or publicly indexed investments were losses in National Vision Holdings, Inc. (NASDAQ: EYE), Gardner Denver Holdings, Inc. (NYSE: GDI) and First Data Corporation. These decreases were partially offset by increased share prices of various publicly held investments, the most significant of which were gains in GoDaddy, Inc., Integer Holdings Corporation (NYSE: ITGR) and Pets at Home Group Plc. (LSE: PETS.L).

Subsequent to March 31, 2018 , realization activity such as dividends and agreements to sell, including partial sales and secondary sales, are expected, with respect to certain private equity portfolio companies, the most significant of which are Aricent Group (technology sector), Välinge Innovation AB (manufacturing sector), South Staffordshire (infrastructure sector) and National Vision Holdings, Inc. We expect that these transactions will be consummated subsequent to March 31, 2018 , and represent distributable earnings of approximately $250 million. These transactions are generally subject to the satisfaction of closing conditions prior to their completion, and there can be no assurance if or when any of these transactions will be completed.

For the three months ended March 31, 2017 , the value of our private equity investment portfolio increased 4.7%. This was comprised of a 4.2% increase in the share prices of various publicly held or publicly indexed investments and a 5.0% increase in value of our privately held investments. The most significant increases in share prices of various publicly held or publicly indexed investments were gains in First Data Corporation, PRA Health Sciences, Inc. (NASDAQ: PRAH) and Qingdao Haier (CH: 600690). These increases were partially offset by decreased share prices of various publicly held investments, the most significant of which were losses in Laureate Education, Inc. (NASDAQ: LAUR), Pets at Home Ltd. and Fujian Sunner Development Co. Ltd (SZ: 002299). Our privately held investments contributed the remainder of the change in value, the most significant of which were gains relating to Gardner Denver, Inc., PortAventura (hotels/leisure sector) and Weld North. The unrealized gains on our privately held investments were partially offset by unrealized losses relating primarily to Westbrick Energy Ltd. and Santanol Pty Ltd (forestry sector). The increased valuations of individual companies in our privately held investments, in the aggregate, generally related to (i) in the case of PortAventura, a valuation that reflects a pending realization event, (ii) an increase in the value of market comparables and (iii) individual company performance. The decreased valuations of individual companies in our privately held investments, in the aggregate, generally related to (i) individual company performance or, in certain cases, an unfavorable business outlook and (ii) a decrease in the value of market comparables.

Segment Expenses

Compensation and Benefits

The net decrease for the three months ended March 31, 2018 was due primarily to lower performance income compensation resulting from a lower level of gains in our private equity portfolio in the current period compared to the prior period as described above.

Occupancy and Other Operating Expenses

The net increase for the three months ended March 31, 2018 is primarily due to an increase in expenses that are not creditable to our investment funds, which includes professional fees. These increases were partially offset by a decrease in expenses that are creditable to our investments funds, which includes broken-deal expenses.

Economic Net Income (Loss)

The decrease was primarily due to lower levels of performance income gains in the current period compared to the prior period. This decrease was partially offset by higher management fees and a decrease in compensation and benefits as described above.

Assets Under Management

The following table reflects the changes in our Private Markets AUM from December 31, 2017 to March 31, 2018 :

		($ in thousands)
December 31, 2017	$	97,527,100
New Capital Raised		6,548,700
Distributions and Other		(2,252,100)
Change in Value		416,500
March 31, 2018	$	102,240,200

AUM for the Private Markets segment was $102.2 billion at March 31, 2018 , an increase of $4.7 billion, compared to $97.5 billion at December 31, 2017.

The increase was primarily attributable to (i) new capital raised primarily in our Global Infrastructure Fund III and our Energy Income and Growth Fund II and (ii) to a lesser extent, an increase in the value of our Private Markets portfolio. These increases were partially offset by distributions to Private Markets fund investors primarily as a result of realizations most notably in our 2006 Fund, Asian Fund and European Fund III.

The increase in the value of our Private Markets portfolio was driven primarily by net gains of $0.3 billion in our European Fund IV, $0.2 billion in our European Fund III and $0.1 billion in each of our Asian Fund II and Americas Fund XII. These gains were partially offset by net losses of $0.6 billion in our North America Fund XI. The drivers of the overall change in value for Private Markets were consistent with those noted in the Performance Income commentary above. See "—Private Markets—Segment Revenues—Performance Income."

Certain investments included in our AUM are denominated in currencies other than the U.S. dollar. Those investments expose our AUM to the risk that the value of the investments will be affected by changes in exchange rates between the currency in which the investments are denominated and the currency in which the investments are made. We generally seek to minimize these risks by employing hedging techniques in connection with certain investments, including using foreign currency options and foreign exchange forward contracts to reduce exposure to changes in exchange rates when a meaningful amount of capital has been invested in currencies other than the currencies in which the investments are denominated. We do not, however, hedge our currency exposure in all currencies or for all investments. See "—Quantitative and Qualitative Disclosures about Market Risk—Exchange Rate Risk" and "Risk Factors—Risks Related to the Assets We Manage—We make investments in companies that are based outside of the United States, which may expose us to additional risks not typically associated with investing in companies that are based in the United States" in our Annual Report.

Fee-Paying Assets Under Management

The following table reflects the changes in our Private Markets FPAUM from December 31, 2017 to March 31, 2018 :

		($ in thousands)
December 31, 2017	$	61,678,600
New Capital Raised		575,800
Distributions and Other		(1,033,200)
Change in Value		285,000
March 31, 2018	$	61,506,200

FPAUM in our Private Markets segment was $61.5 billion at March 31, 2018 , a decrease of $0.2 billion, compared to $61.7 billion at December 31, 2017.

The decrease was primarily attributable to distributions primarily relating to realizations in our 2006 Fund, Asian Fund and European Fund III. These decreases were partially offset by new capital raised in our core investment vehicles and capital invested in our Real Estate Credit Opportunity Partners fund.

Uncalled capital commitments from investment funds from which KKR is currently not earning management fees amounted to approximately $18.7 billion at March 31, 2018 , which includes capital commitments reserved for follow-on investments for funds that have completed their investment periods. This capital will generally begin to earn management fees upon deployment of the capital or upon the commencement of the fund's investment period. The average annual management fee rate associated with this capital is approximately 1.0%. We will not begin earning fees on this capital until it is deployed or the related investment period commences, neither of which is guaranteed. If and when such management fees are earned, which will occur over an extended period of time, a portion of existing FPAUM may cease paying fees or pay lower fees, thus offsetting a portion of any new management fees earned.

Capital Invested

The decrease was driven primarily by a $1.2 billion decrease in capital invested in our private equity platform (including core investments and growth equity) and a $0.9 billion decrease in capital invested in our real assets and other platforms. Generally, the portfolio companies acquired through our private equity funds have higher transaction values and result in higher capital invested relative to transactions in our real assets funds. The number of large private equity investments made in any quarter is volatile and consequently, a significant amount of capital invested in one quarter or a few quarters may not be indicative of a similar level of capital deployment in future quarters. During the quarter ended March 31, 2018 , 55% of capital deployed in private equity was in transactions in the Asia-Pacific region and 45% was in North America. As of May 7, 2018 , our Private Markets segment had announced transactions that were subject to closing conditions which aggregated approximately $3.3 billion. These transactions are generally subject to the satisfaction of closing conditions prior to their completion, and there can be no assurance if or when any of these transactions will be completed.

Uncalled Commitments

As of March 31, 2018 , our Private Markets segment had $50.3 billion of remaining uncalled capital commitments that could be called for investments in new transactions. The increase from March 31, 2017 is due primarily to new capital raised in our core investment vehicles, Global Infrastructure III, Asian Fund III, two new strategic investor partnerships and Real Estate Partners Americas II, partially offset by capital called from fund investors to fund investments during the period.

Public Markets Segment

The following tables set forth information regarding the results of operations and certain key operating metrics for our Public Markets segment for the three months ended March 31, 2018 and 2017 .

Three months ended March 31, 2018 compared to three months ended March 31, 2017

	Three Months Ended		
	March 31, 2018	March 31, 2017	Change
	($ in thousands)		
Segment Revenues			
Management, Monitoring and Transaction Fees, Net			
Management Fees	$ 93,395	$ 84,772	$ 8,623
Monitoring Fees	—	—	—
Transaction Fees	2,558	4,056	(1,498)
Fee Credits	(2,431)	(3,367)	936
Total Management, Monitoring and Transaction Fees, Net	93,522	85,461	8,061
Performance Income			
Realized Incentive Fees	16,407	1,686	14,721
Realized Carried Interest	—	—	—
Unrealized Carried Interest	29,508	17,120	12,388
Total Performance Income	45,915	18,806	27,109
Investment Income (Loss)			
Net Realized Gains (Losses)	—	—	—
Net Unrealized Gains (Losses)	—	—	—
Total Realized and Unrealized	—	—	—
Interest Income and Dividends	—	—	—
Interest Expense	—	—	—
Net Interest and Dividends	—	—	—
Total Investment Income (Loss)	—	—	—
Total Segment Revenues	139,437	104,267	35,170
Segment Expenses			
Compensation and Benefits			
Cash Compensation and Benefits	22,714	19,784	2,930
Realized Performance Income Compensation	7,055	674	6,381
Unrealized Performance Income Compensation	12,256	6,848	5,408
Total Compensation and Benefits	42,025	27,306	14,719
Occupancy and related charges	1,608	1,856	(248)
Other operating expenses	9,587	8,338	1,249
Total Segment Expenses	53,220	37,500	15,720
Income (Loss) attributable to noncontrolling interests	—	—	—
Economic Net Income (Loss)	$ 86,217	$ 66,767	$ 19,450
Assets Under Management	$ 74,115,500	$ 57,418,700	$ 16,696,800
Fee Paying Assets Under Management	$ 58,151,900	$ 50,463,500	$ 7,688,400
Capital Invested	$ 1,367,900	$ 893,600	$ 474,300
Uncalled Commitments	$ 8,543,400	$ 6,151,100	$ 2,392,300

Segment Revenues

Management, Monitoring and Transaction Fees, Net

The net increase for the three months ended March 31, 2018 was primarily due to an increase in management fees. The increase in management fees was primarily due to increased fees from our strategic manager partnerships as a result of greater AUM and an increase in fees earned from BDCs advised or sub-advised by KKR. This increase was partially offset by a reduction in management fees from KKR Prisma as a result of the PAAMCO Prisma transaction that closed in the second quarter of 2017. KKR reports its investment in PAAMCO Prisma using the equity method of accounting, and on a segment basis, KKR reflects its allocation of the net income of PAAMCO Prisma as management fees and realized incentive fees. Accordingly, the management fees and other revenues and expenses of KKR Prisma that had been reported on a gross basis prior to the closing of the transaction on June 1, 2017 are reflected on a net basis as part of our allocation of the net income of PAAMCO Prisma after June 1, 2017 resulting in a decrease in our reported gross management fees when compared to the prior period. As a result of the closing of the strategic BDC partnership with FS Investments on April 9, 2018, KKR will begin receiving its portion of the management and incentive fees on an additional $13 billion of FPAUM (calculated based on AUMs of FS Investments' BDCs as of December 31, 2017), which will be reflected in our operating results beginning in the second quarter of 2018.

Performance Income

The net increase for the three months ended March 31, 2018 was primarily attributable to higher incentive fees received from BDCs advised or sub-advised by KKR, and to a lesser extent, higher incentive fees earned in our strategic manager partnerships. Performance income also increased as a result of higher net carried interest gains in the three months ended March 31, 2018 , compared to the three months ended March 31, 2017 . The carried interest gains in the current period were primarily the result of increases in the value of our private credit portfolio, with the most significant carried interest gains arising in our private opportunistic credit strategies and special situations strategies. In the prior period, the most significant carried interest gains were recognized in our direct lending strategies and special situations strategies.

Segment Expenses

Compensation and Benefits

The increase for the three months ended March 31, 2018 was primarily due to higher net performance income compensation in connection with higher incentive fees and higher net carried interest gains for the three months ended March 31, 2018 , as compared to the three months ended March 31, 2017 , as described above.

Occupancy and Other Operating Expenses

The increase for the three months ended March 31, 2018 was primarily driven by higher professional fees in connection with the growth of this segment.

Economic Net Income (Loss)

The increase for the three months ended March 31, 2018 is primarily attributable to the increase in performance income and fees, partially offset by an increase in compensation and benefits expense as described above.

Assets Under Management

The following table reflects the changes in our Public Markets AUM from December 31, 2017 to March 31, 2018 :

	($ in thousands)
December 31, 2017	$ 70,943,500
New Capital Raised	4,100,100
Distributions	(830,100)
Redemptions	(964,100)
Change in Value	866,100
March 31, 2018	$ 74,115,500

AUM in our Public Markets segment totaled $74.1 billion at March 31, 2018 , an increase of $3.2 billion compared to AUM of $70.9 billion at December 31, 2017. The increase for the period was primarily due to new capital raised across multiple strategies most notably $3.0 billion in our strategic manager partnerships, $0.9 billion in certain leveraged credit strategies and $0.2 billion in our Lending Partners III Fund. The increases due to change in value were driven primarily by our domestic private credit strategies, certain leveraged credit strategies, strategic manager partnerships and our European CLOs. Partially offsetting these increases were redemptions and distributions from certain investment vehicles across multiple strategies, primarily with our strategic manager partnerships, in certain leveraged credit strategies and our private credit strategies.

Fee-Paying Assets Under Management

The following table reflects the changes in our Public Markets FPAUM from December 31, 2017 to March 31, 2018 :

		($ in thousands)
December 31, 2017	$	55,758,900
New Capital Raised		3,415,000
Distributions		(710,500)
Redemptions		(964,100)
Change in Value		652,600
March 31, 2018	$	58,151,900

FPAUM in our Public Markets segment was $58.2 billion at March 31, 2018 , an increase of $2.4 billion compared to FPAUM of $55.8 billion at December 31, 2017. The increase was primarily due to new capital raised across multiple strategies, most notably $1.4 billion with our strategic manager partnerships, $1.0 billion in certain leveraged credit strategies, $0.3 billion in our direct lending strategies, $0.3 billion in our private opportunistic credit strategy and $0.2 billion in our Special Situations Fund II. New capital raised includes capital that was raised in previous periods but began earning fees upon deployment of capital. Change in value was driven primarily by $0.3 billion through our strategic manager partnerships, $0.2 billion in certain leveraged credit strategies and $0.1 billion in our European CLOs. Partially offsetting these increases were redemptions and distributions from certain investment vehicles across multiple strategies driven by $0.8 billion from our strategic manager partnerships, $0.6 billion from our private credit strategies and $0.2 billion from certain leveraged credit strategies.

Uncalled capital commitments from investment funds from which KKR is currently not earning management fees amounted to approximately $6.1 billion at March 31, 2018. This capital will generally begin to earn management fees upon deployment of the capital or upon the commencement of the fund's investment period. The average annual management fee rate associated with this capital is approximately 1.0%. We will not begin earning fees on this capital until it is deployed or the related investment period commences, neither of which is guaranteed. If and when such management fees are earned, which will occur over an extended period of time, a portion of existing FPAUM may cease paying fees or pay lower fees, thus offsetting a portion of any new management fees earned.

Capital Invested

Capital invested increased for the three months ended March 31, 2018 , compared to the three months ended March 31, 2017 . The increase is primarily due to a higher level of net capital deployed in our direct lending and special situations strategies.

Uncalled Commitments

As of March 31, 2018 , our Public Markets segment had $8.5 billion of uncalled capital commitments that could be called for investments in new transactions. The increase from March 31, 2017 is due to new capital raised primarily in our private opportunistic credit strategy, two new strategic investor partnerships, Lending Partners III Fund and Revolving Credit Partners II Fund, partially offset by capital called from fund investors to fund investments during the period.

Capital Markets

The following tables set forth information regarding the results of operations and certain key operating metrics for our Capital Markets segment for the three months ended March 31, 2018 and 2017 .

Three months ended March 31, 2018 compared to three months ended March 31, 2017

	Three Months Ended		
	March 31, 2018	March 31, 2017	Change
	($ in thousands)		
Segment Revenues			
Management, Monitoring and Transaction Fees, Net			
Management Fees	$ —	$ —	$ —
Monitoring Fees	—	—	—
Transaction Fees	107,598	121,097	(13,499)
Fee Credits	—	—	—
Total Management, Monitoring and Transaction Fees, Net	107,598	121,097	(13,499)
Performance Income			
Realized Incentive Fees	—	—	—
Realized Carried Interest	—	—	—
Unrealized Carried Interest	—	—	—
Total Performance Income	—	—	—
Investment Income (Loss)			
Net Realized Gains (Losses)	—	—	—
Net Unrealized Gains (Losses)	—	—	—
Total Realized and Unrealized	—	—	—
Interest Income and Dividends	—	—	—
Interest Expense	—	—	—
Net Interest and Dividends	—	—	—
Total Investment Income (Loss)	—	—	—
Total Segment Revenues	107,598	121,097	(13,499)
Segment Expenses			
Compensation and Benefits			
Cash Compensation and Benefits	21,457	22,561	(1,104)
Realized Performance Income Compensation	—	—	—
Unrealized Performance Income Compensation	—	—	—
Total Compensation and Benefits	21,457	22,561	(1,104)
Occupancy and related charges	744	664	80
Other operating expenses	6,749	5,328	1,421
Total Segment Expenses	28,950	28,553	397
Income (Loss) attributable to noncontrolling interests	1,203	1,584	(381)
Economic Net Income (Loss)	$ 77,445	$ 90,960	$ (13,515)
Syndicated Capital	$ 553,000	$ 1,181,300	$ (628,300)

Segment Revenues

Management, Monitoring and Transaction Fees, Net

Transaction fees decreased due primarily to a decrease in both the size and number of capital markets transactions for the three months ended March 31, 2018 , compared to the three months ended March 31, 2017 . Overall, we completed 46 capital markets transactions for the three months ended March 31, 2018 , of which 4 represented equity offerings and 42 represented debt offerings, as compared to 47 transactions for the three months ended March 31, 2017 , of which 7 represented equity offerings and 40 represented debt offerings. We earned fees in connection with underwriting, syndication and other capital markets services. While each of the capital markets transactions that we undertake in this segment is separately negotiated, our fee rates are generally higher with respect to underwriting or syndicating equity offerings than with respect to debt offerings, and the amount of fees that we collect for like transactions generally correlates with overall transaction sizes. Our capital markets fees are generated in connection with our Private Markets and Public Markets businesses as well as from third-party companies. For the three months ended March 31, 2018 , approximately 36% of our transaction fees were earned from unaffiliated third parties as compared to approximately 20% for the three months ended March 31, 2017 . Our transaction fees are comprised of fees earned from North America, Europe and Asia-Pacific, including India. For the three months ended March 31, 2018 , approximately 17% of our transaction fees were generated outside of North America as compared to approximately 54% for the three months ended March 31, 2017 . Our capital markets business is dependent on the overall capital markets environment, which is influenced by equity prices, credit spreads and volatility. Our capital markets business does not generate management or monitoring fees.

Segment Expenses

Compensation and Benefits and Occupancy and Other Operating Expenses

Segment expenses increased slightly for the three months ended March 31, 2018 compared to the prior period primarily due to higher operating expenses, which was partially offset by lower compensation expense.

Economic Net Income (Loss)

The decrease for the three months ended March 31, 2018 compared to the prior period is primarily attributable to the decrease in transaction fees as described above.

Syndicated Capital

The decrease is primarily due to a decrease in the size and number of syndication transactions in the three months ended March 31, 2018 as compared to the three months ended March 31, 2017 . Overall, we completed three syndication transactions for the three months ended March 31, 2018 as compared to five syndications for the three months ended March 31, 2017 .

Principal Activities

The following tables set forth information regarding the results of operations and certain key operating metrics for our Principal Activities segment for the three months ended March 31, 2018 and 2017 .

Three months ended March 31, 2018 compared to three months ended March 31, 2017

	Three Months Ended		
	March 31, 2018	March 31, 2017	Change
	($ in thousands)		
Segment Revenues			
Management, Monitoring and Transaction Fees, Net			
Management Fees	$ —	$ —	$ —
Monitoring Fees	—	—	—
Transaction Fees	—	—	—
Fee Credits	—	—	—
Total Management, Monitoring and Transaction Fees, Net	—	—	—
Performance Income			
Realized Incentive Fees	—	—	—
Realized Carried Interest	—	—	—
Unrealized Carried Interest	—	—	—
Total Performance Income	—	—	—
Investment Income (Loss)			
Net Realized Gains (Losses)	7,875	79,451	(71,576)
Net Unrealized Gains (Losses)	207,862	204,036	3,826
Total Realized and Unrealized	215,737	283,487	(67,750)
Interest Income and Dividends	72,577	56,882	15,695
Interest Expense	(50,192)	(41,709)	(8,483)
Net Interest and Dividends	22,385	15,173	7,212
Total Investment Income (Loss)	238,122	298,660	(60,538)
Total Segment Revenues	238,122	298,660	(60,538)
Segment Expenses			
Compensation and Benefits			
Cash Compensation and Benefits	34,640	37,082	(2,442)
Realized Performance Income Compensation	—	—	—
Unrealized Performance Income Compensation	—	—	—
Total Compensation and Benefits	34,640	37,082	(2,442)
Occupancy and related charges	3,355	3,742	(387)
Other operating expenses	13,267	12,945	322
Total Segment Expenses	51,262	53,769	(2,507)
Income (Loss) attributable to noncontrolling interests	—	—	—
Economic Net Income (Loss)	$ 186,860	$ 244,891	$ (58,031)

Segment Revenues

Investment Income

The net decrease is primarily due to a lower level of net realized and unrealized gains during the three months ended March 31, 2018 , compared to the prior period.

For the three months ended March 31, 2018 , net realized gains were comprised primarily of gains from the sale of Private Markets investments including the sales or partial sales of our investments in Weld North, K Twin Towers, and GoDaddy, Inc., as well as the sale of our alternative credit investment in Algeco Scotsman (industrial sector). These gains were partially offset by losses on the sale of certain investments in our special situations and direct lending funds. Net unrealized gains were primarily attributed to gains on various Private Markets investments including USI, Inc., WMIH Corp. and The Hut Group (retail sector). These increases were partially offset by unrealized losses on First Data Corporation, National Vision, Inc. and an asset in our alternative credit strategy as well as unrealized losses due to the reversal of unrealized gains on the sales of private equity investments mentioned above.

As of March 31, 2018 , $372.0 million of investments in CLOs and our $325.0 million investment in KREF were carried at cost. As of March 31, 2018 , the cumulative net unrealized gain or loss relating to changes in fair value for these investments was a $9.6 million loss for CLOs and a $1.0 million gain for KREF.

For the three months ended March 31, 2017, net realized gains were primarily comprised of gains from the sale of private equity investments including the sales or partial sales of Walgreens Boots Alliance (NASDAQ: WBA), Inc., HCA Holdings, Inc. and Zimmer Biomet Holdings, Inc. (NYSE: ZBH), offset by our investment in Samson Resources (energy sector) of approximately $254 million, the loss from the redemption of limited partner interests in a fund managed by BlackGold Capital Management, as well as certain CLOs being called. As of December 31, 2016, KKR no longer holds any limited partner interests in a hedge fund managed by BlackGold Capital Management, although we continue to own an interest in its management company and fund general partner. Net unrealized losses were primarily attributable to mark to market losses on various Private Markets investments including First Data Corporation and to a lesser extent WMIH Corp., Walgreens Boots Alliance, Inc., mark to market losses on various alternative credit investments and unrealized losses on energy investments, and reversals of unrealized gains on the sales of private equity investments. These unrealized losses were partially offset by unrealized gains representing the reversal of unrealized losses primarily in connection with our investment in Samson Resources and the limited partner interests in a hedge fund managed by BlackGold Capital Management as described above.

For the three months ended March 31, 2018 , net interest and dividends were comprised of (i) $40.8 million of interest income which consists primarily of interest that is received from our Public Markets investments including CLOs and other credit investments and to a lesser extent our India debt financing company and our cash balances and (ii) $31.8 million of dividend income from distributions received primarily through our private equity investments and real estate investments including our investment in KREF, less (iii) $50.2 million of interest expense primarily relating to the senior notes outstanding for KKR and KFN.

For the three months ended March 31, 2017 , net interest and dividends were comprised of (i) $38.5 million of interest income which consists primarily of interest that is received from our Public Markets investments including CLOs and other credit investments and to a lesser extent our cash balances and other assets and (ii) $18.4 million of dividend income from distributions received primarily through our private equity investments and real estate investments including our investment in KREF, less (iii) $41.7 million of interest expense primarily relating to the senior notes outstanding for KKR and KFN.

The net increase in net interest and dividends is due primarily to a higher level of dividends for the three months ended March 31, 2018 compared to the prior period, partially offset by higher interest expense due to overall higher levels of borrowings, in particular at KFN.

Segment Expenses

Compensation and Benefits

The decrease for the three months ended March 31, 2018 was primarily due to a lower amount of compensation and benefits expenses allocated from the other operating segments to Principal Activities, as well as a lower amount of corporate compensation allocated to Principal Activities, in each case as a result of a decrease in the proportion of revenue earned by Principal Activities relative to other operating segments. See "—Segment Analysis" for a discussion of expense allocations among segments.

Occupancy and Other Operating Expenses

The decrease for the three months ended March 31, 2018 was primarily due to a decrease in occupancy and other related charges from the other operating segments to Principal Activities, partially offset by a slightly greater amount of other operating expenses allocated to Principal Activities.

Economic Net Income (Loss)

The decrease in economic net income for the three months ended March 31, 2018 was primarily driven by the decrease in net investment income in the current period as described above.

Segment Balance Sheet

Our segment balance sheet is the balance sheet of KKR & Co. L.P. and its subsidiaries on a segment basis which includes, but is not limited to, our investment management companies, broker-dealer companies, general partners of our investment funds and KFN. Our segment balance sheet excludes the assets and liabilities of our investment funds and CFEs and other consolidated entities that are not subsidiaries of KKR & Co. L.P.

Investments

Investments is a term used solely for purposes of financial presentation of a portion of KKR's balance sheet and includes majority ownership of subsidiaries that operate KKR's asset management and other businesses, including the general partner interests of KKR's investment funds.

Cash and Short-Term Investments

Cash and short-term investments represent cash and liquid short-term investments in high-grade, short-duration cash management strategies used by KKR to generate additional yield on our excess liquidity and is used by management in evaluating KKR's liquidity position. We believe this measure is useful to unitholders as it provides additional insight into KKR's available liquidity. Cash and short-term investments differ from cash and cash equivalents on a GAAP basis as a result of the inclusion of liquid short-term investments in cash and short-term investments. The impact that these liquid short-term investments have on cash and cash equivalents on a GAAP basis is reflected in the consolidated statements of cash flows within cash flows from operating activities. Accordingly, the exclusion of these investments from cash and cash equivalents on a GAAP basis has no impact on cash provided (used) by operating activities, investing activities or financing activities.

The following tables present information with respect to our segment balance sheet as of March 31, 2018 and December 31, 2017 :

	As of March 31, 2018	As of December 31, 2017
	($ in thousands, except per unit amounts)	
Cash and Short-term Investments	$ 2,510,024	$ 3,214,794
Investments	9,768,400	8,488,606
Unrealized Carry [(1)]	1,591,335	1,620,401
Other Assets	2,212,619	2,276,286
Corporate Real Estate	161,225	161,225
Total Assets	$ 16,243,603	$ 15,761,312
Debt Obligations - KKR (ex-KFN)	$ 2,379,259	$ 2,000,000
Debt Obligations - KFN	884,767	764,767
Preferred Shares - KFN	—	373,750
Other Liabilities	472,771	426,699
Total Liabilities	3,736,797	3,565,216
Noncontrolling Interests	23,517	22,187
Preferred Units	500,000	500,000
Book Value	$ 11,983,289	$ 11,673,909
Book Value Per Outstanding Adjusted Unit	$ 14.56	$ 14.20
(1) **Unrealized Carry**		
Private Markets	$ 1,429,614	$ 1,480,142
Public Markets	161,721	140,259
Total	$ 1,591,335	$ 1,620,401

The following table presents the holdings of our segment balance sheet by asset class as of March 31, 2018 . To the extent investments on our segment balance sheet, for example in energy, CLOs and specialty finance, are realized at values below their cost in future periods, after-tax distributable earnings would be adversely affected by the amount of such loss, if any, during the period in which the realization event occurs.

	As of March 31, 2018		
Investments	**Cost**	**Carrying Value**	**Carrying Value as a Percentage of Total Investments**
Private Equity Co-Investments, Core Investments and Other Equity	$ 2,680,023	$ 3,188,100	32.6%
Private Equity Funds	1,130,181	1,488,790	15.2%
Private Equity and Other Equity Total	**3,810,204**	**4,676,890**	**47.8%**
Energy	1,025,500	687,731	7.0%
Real Estate [1]	751,693	801,733	8.2%
Infrastructure	318,796	401,086	4.1%
Real Assets Total	**2,095,989**	**1,890,550**	**19.3%**
Special Situations	770,453	790,611	8.1%
Direct Lending	134,370	134,151	1.4%
Mezzanine	25,319	28,373	0.3%
Alternative Credit Total	**930,142**	**953,135**	**9.8%**
CLOs [1]	1,086,652	725,030	7.4%
Other Leveraged Credit	119,412	136,131	1.4%
Specialty Finance	289,870	205,731	2.1%
Credit Total	**2,426,076**	**2,020,027**	**20.7%**
Other	1,128,939	1,180,933	12.2%
Total Investments	**$ 9,461,208**	**$ 9,768,400**	**100.0%**

	As of March 31, 2018		
Significant Investments: [2]	**Cost**	**Carrying Value**	**Carrying Value as a Percentage of Total Investments**
First Data Corporation	$ 956,454	$ 1,138,448	11.7%
USI, Inc.	500,000	574,078	5.9%
KKR Real Estate Finance Trust Inc. (NYSE: KREF)	325,000	325,000	3.3%
PortAventura Entertainment S.A.	233,132	266,715	2.7%
WMIH Corp.	221,250	247,725	2.5%
Total Significant Investments	**2,235,836**	**2,551,966**	**26.1%**
Other Investments	7,225,372	7,216,434	73.9%
Total Investments	**$ 9,461,208**	**$ 9,768,400**	**100.0%**

(1) Includes our ownership of $325.0 million in KREF and $372.0 million of CLOs which are not held for investment purposes and held at cost .

(2) The significant investments include the top five investments (other than investments expected to be syndicated or transferred in connection with new fundraising) based on their carrying values as of March 31, 2018. The carrying value figures include the co-investment and the limited partner and/or general partner interests held directly by KKR in the underlying investment, if applicable.

The following tables provide reconciliations of KKR's GAAP Condensed Consolidated Statements of Financial Condition to Total Reportable Segments Balance Sheet as of March 31, 2018 and December 31, 2017.

As of March 31, 2018
(Amounts in thousands)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (GAAP BASIS)		1	2	3	4	5	TOTAL REPORTABLE SEGMENTS BALANCE SHEET	
Assets								
Cash and Cash Equivalents	$ 1,880,834	—	—	636,819	—	(7,629)	$ 2,510,024	Cash and Short-term Investments
Investments	42,101,905	(29,566,100)	(1,176,070)	(1,591,335)	—	—	9,768,400	Investments
		—	—	1,591,335	—	—	1,591,335	Unrealized Carry
Other Assets	3,596,414	(405,964)	—	(798,044)	—	(179,787)	2,212,619	Other Assets
		—	—	161,225	—	—	161,225	Corporate Real Estate
Total Assets	**$ 47,579,153**	**(29,972,064)**	**(1,176,070)**	**—**	**—**	**(187,416)**	**$ 16,243,603**	
Liabilities and Equity								
Debt Obligations	22,041,271	(18,777,245)	—	(884,767)	—	—	2,379,259	Debt Obligations - KKR (ex-KFN)
		—	—	884,767	—	—	884,767	Debt Obligations - KFN
		—	—	—	—	—	—	Preferred Shares - KFN
Other Liabilities	3,768,944	(1,998,075)	(1,176,070)	—	—	(122,028)	472,771	Other Liabilities
Total Liabilities	**25,810,215**	**(20,775,320)**	**(1,176,070)**	**—**	**—**	**(122,028)**	**3,736,797**	
Redeemable Noncontrolling Interests	690,630	(690,630)	—	—	—	—	—	
Equity								
Series A Preferred Units	332,988	—	—	(332,988)	—	—	—	
Series B Preferred Units	149,566	—	—	(149,566)	—	—	—	
KKR & Co. L.P. Capital - Common Unitholders	6,918,185	254,777	—	(17,446)	4,893,161	(65,388)	11,983,289	Book Value
Noncontrolling Interests	13,677,569	(8,760,891)	—	—	(4,893,161)	—	23,517	Noncontrolling Interests
		—	—	500,000	—	—	500,000	Preferred Units
Total Liabilities and Equity	**$ 47,579,153**	**(29,972,064)**	**(1,176,070)**	**—**	**—**	**(187,416)**	**$ 16,243,603**	

1	IMPACT OF CONSOLIDATION OF INVESTMENT VEHICLES AND OTHER ENTITIES
2	CARRY POOL RECLASSIFICATION
3	OTHER RECLASSIFICATIONS
4	NONCONTROLLING INTERESTS HELD BY KKR HOLDINGS L.P. AND OTHER
5	EQUITY IMPACT OF KKR MANAGEMENT HOLDINGS CORP.

As of December 31, 2017
(Amounts in thousands)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (GAAP BASIS)		1	2	3	4	5	TOTAL REPORTABLE SEGMENTS BALANCE SHEET	
Assets								
Cash and Cash Equivalents	$ 1,876,687	—	—	1,338,107	—	—	$ 3,214,794	Cash and Short-term Investments
Investments	39,013,934	(27,684,368)	(1,220,559)	(1,620,401)	—	—	8,488,606	Investments
		—	—	1,620,401	—	—	1,620,401	Unrealized Carry
Other Assets	4,944,098	(974,710)	—	(1,499,332)	—	(193,770)	2,276,286	Other Assets
		—	—	161,225	—	—	161,225	Corporate Real Estate
Total Assets	**$ 45,834,719**	**(28,659,078)**	**(1,220,559)**	**—**	**—**	**(193,770)**	**$ 15,761,312**	
Liabilities and Equity								
Debt Obligations	21,193,859	(18,429,092)	—	(764,767)	—	—	2,000,000	Debt Obligations - KKR (ex-KFN)
		—	—	764,767	—	—	764,767	Debt Obligations - KFN
		—	—	373,750	—	—	373,750	Preferred Shares - KFN
Other Liabilities	3,978,060	(2,207,518)	(1,220,559)	—	—	(123,284)	426,699	Other Liabilities
Total Liabilities	**25,171,919**	**(20,636,610)**	**(1,220,559)**	**373,750**	**—**	**(123,284)**	**3,565,216**	
Redeemable Noncontrolling Interests	610,540	(610,540)	—	—	—	—		
Equity								
Series A Preferred Units	332,988	—	—	(332,988)	—	—		
Series B Preferred Units	149,566	—	—	(149,566)	—	—		
KKR & Co. L.P. Capital - Common Unitholders	6,703,382	214,188	—	(17,446)	4,844,271	(70,486)	11,673,909	Book Value
Noncontrolling Interests	12,866,324	(7,626,116)	—	(373,750)	(4,844,271)	—	22,187	Noncontrolling Interests
		—	—	500,000	—	—	500,000	Preferred Units
Total Liabilities and Equity	**$ 45,834,719**	**(28,659,078)**	**(1,220,559)**	**—**	**—**	**(193,770)**	**$ 15,761,312**	

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The following tables provide reconciliations of KKR's GAAP Common Units Outstanding to Adjusted Units, Adjusted Units Eligible for Distribution and Outstanding Adjusted Units:

	As of March 31, 2018	As of December 31, 2017
GAAP Common Units Outstanding - Basic	489,242,042	486,174,736
Adjustments:		
Unvested Common Units [1]	46,654,309	46,475,176
Other Exchangeable Securities [2]	1,518,843	2,299,421
GAAP Common Units Outstanding - Diluted	537,415,194	534,949,333
Adjustments:		
KKR Holdings Units [3]	333,648,078	335,971,334
Adjusted Units	871,063,272	870,920,667
Adjustments:		
Unvested Common Units	(46,654,309)	(46,475,176)
Adjusted Units Eligible for Distribution	824,408,963	824,445,491
Adjustments:		
Vested Other Exchangeable Securities [2]	(1,518,843)	(2,299,421)
Outstanding Adjusted Units	822,890,120	822,146,070

(1) Represents equity awards granted under the Equity Incentive Plan. The issuance of common units of KKR & Co. L.P. pursuant to awards under the Equity Incentive Plan dilutes KKR common unitholders and KKR Holdings pro rata in accordance with their respective percentage interests in the KKR business. Excludes the award of 2,500,000 restricted equity units granted to each of our Co-Presidents/Co-Chief Operating Officers during 2017 that have not met their market-price based vesting condition as of March 31, 2018. See "Item 1. Condensed Consolidated Financial Statements (unaudited)—Equity Based Compensation."

(2) Represents securities in a subsidiary of a KKR Group Partnership and of KKR & Co. L.P. that are exchangeable into KKR & Co. L.P. common units issued in connection with the acquisition of Avoca.

(3) Common units that may be issued by KKR & Co. L.P. upon exchange of units in KKR Holdings L.P. for KKR common units.

Liquidity

We manage our liquidity and capital requirements by focusing on our cash flows before the consolidation of our funds and CFEs and the effect of changes in short term assets and liabilities, which we anticipate will be settled for cash within one year. Our primary cash flow activities on a segment basis typically involve: (i) generating cash flow from operations; (ii) generating income from investment activities, by investing in investments that generate yield (namely interest and dividends) as well as the sale of investments and other assets; (iii) funding capital commitments that we have made to, and advancing capital to, our funds and CLOs; (iv) developing and funding new investment strategies, investment products and other growth initiatives, including acquisitions of other investments, assets and businesses; (v) underwriting and funding commitments in our capital markets business; (vi) distributing cash flow to our unitholders, certain holders of certain exchangeable securities and holders of our Series A and Series B Preferred Units; and (vii) paying borrowings, interest payments and repayments under credit agreements, our senior notes and other borrowing arrangements. See "—Liquidity—Liquidity Needs—Distributions."

Sources of Liquidity

Our primary sources of liquidity consist of amounts received from: (i) our operating activities, including the fees earned from our funds, portfolio companies, and capital markets transactions; (ii) realizations on carried interest from our investment funds; (iii) interest and dividends from investments that generate yield, including our investments in CLOs; (iv) realizations on and sales of investments and other assets, including the transfers of investments for fund formations, and (v) borrowings under our credit facilities, debt offerings and other borrowing arrangements. In addition, we may generate cash proceeds from sales of equity securities.

Many of our investment funds provide carried interest. With respect to our private equity funds, carried interest is distributed to the general partner of a private equity fund with a clawback provision only after all of the following are met: (i) a realization event has occurred (e.g., sale of a portfolio company, dividend, etc.); (ii) the vehicle has achieved positive overall investment returns since its inception, in excess of performance hurdles where applicable; and (iii) with respect to investments

with a fair value below cost, cost has been returned to fund investors in an amount sufficient to reduce remaining cost to the investments' fair value. As of March 31, 2018 , certain of our funds had met the first and second criteria, as described above, but did not meet the third criteria. In these cases, carried interest accrues on the consolidated statement of operations, but will not be distributed in cash to us as the general partner of an investment fund upon a realization event. For a fund that has a fair value above cost, overall, but has one or more investments where fair value is below cost, the shortfall between cost and fair value for such investments is referred to as a "netting hole." When netting holes are present, realized gains on individual investments that would otherwise allow the general partner to receive carried interest distributions are instead used to return invested capital to our funds' limited partners in an amount equal to the netting hole. Once netting holes have been filled with either (a) return of capital equal to the netting hole for those investments where fair value is below cost, or (b) increases in the fair value of those investments where fair value is below cost, then realized carried interest will be distributed to the general partner upon a realization event. A fund that is in a position to pay cash carry refers to a fund for which carried interest is expected to be paid to the general partner upon the next material realization event, which includes funds with no netting holes as well as funds with a netting hole that is sufficiently small in size such that the next material realization event would be expected to result in the payment of carried interest. Strategic investor partnerships with fund investors may require netting across the various funds in which they invest, which may reduce the carried interest we otherwise would have earned if such fund investors were to have invested in our funds without the existence of the strategic investor partnership. See "Risk Factors—Risks Related to Our Business—Strategic investor partnerships have longer investment periods and invest in multiple strategies, which may increase the possibility of a 'netting hole,' which will result in less carried interest for us, as well as clawback liabilities" in our Annual Report.

As of March 31, 2018 , netting holes in excess of $50 million existed at three of our private equity funds, which were our European Fund IV, Millennium Fund, and Asian Fund II, which had netting holes of approximately $148 million, $82 million and $79 million, respectively. In accordance with the criteria set forth above, other funds currently have and may in the future develop netting holes, and netting holes for those and other funds may otherwise increase or decrease in the future.

We have access to funding under various credit facilities, other borrowing arrangements and other sources of liquidity that we have entered into with major financial institutions or which we receive from the capital markets. The following describes these sources of liquidity.

Revolving Credit Agreements, Senior Notes, KFN Debt Obligations & KFN Securities

For a discussion of KKR's debt obligations, including our revolving credit agreements, senior notes, KFN debt obligations and KFN securities, see Note 10 "Debt Obligations" to the audited financial statements included in our Annual Report. For an update of such information see Note 10 "Debt Obligations" to the condensed consolidated financial statements included elsewhere in this report which should be read in conjunction with the information filed in our Annual Report.

Preferred Units

For a discussion of KKR's equity, including our preferred units, see Note 15 "Equity" to the audited financial statements included in our Annual Report.

Liquidity Needs

We expect that our primary liquidity needs will consist of cash required to:

- continue to grow our business, including seeding new strategies, funding our capital commitments made to existing and future funds, co-investments and any net capital requirements of our capital markets companies and otherwise supporting investment vehicles which we sponsor;
- warehouse investments in portfolio companies or other investments for the benefit of one or more of our funds, vehicles, accounts or CLOs pending the contribution of committed capital by the investors in such vehicles, and advancing capital to them for operational or other needs;
- service debt obligations including the payment of obligations upon maturity or redemption, as well as any contingent liabilities that may give rise to future cash payments;
- fund cash operating expenses and contingencies, including litigation matters and, after the Conversion, additional corporate income taxes;

- pay amounts that may become due under our tax receivable agreement with KKR Holdings;
- make cash distributions in accordance with our distribution policy for our common units or the terms of our preferred units;
- underwrite commitments, advance loan proceeds and fund syndication commitments within our capital markets business;
- make future purchase price payments in connection with our proprietary investments, such as our strategic manager partnership with Marshall Wace, to the extent not paid by newly issued common units;
- acquire other assets for our Principal Activities segment, including other businesses, investments and assets, some of which may be required to satisfy regulatory requirements for our capital markets business or risk retention requirements for CLOs (to the extent it continues to apply); and
- repurchase KKR's common units pursuant to the unit repurchase program or other securities issued by KKR.

KKR & Co. L.P. Unit Repurchase Program

On October 27, 2015, KKR announced the authorization of a program providing for the repurchase by KKR of up to $500 million in the aggregate of its outstanding common units. On February 9, 2017, KKR announced the authorization for KKR to repurchase an incremental $250 million under this unit repurchase program. Since inception of the unit repurchase program, KKR has repurchased and canceled approximately 31.7 million outstanding common units for approximately $459 million, with approximately $291 million remaining under the program. No units were repurchased during the first quarter of 2018.

On May 3, 2018, KKR announced the increase to the available amount under its repurchase program to $500 million.

Under the current repurchase program, KKR is authorized to repurchase its common units or, after the Conversion, Class A common stock from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing, manner, price and amount of any common unit or Class A common stock repurchases will be determined by KKR in its discretion and will depend on a variety of factors, including legal requirements, price and economic and market conditions. KKR expects that the program, which has no expiration date, will be in effect until the maximum approved dollar amount has been used to repurchase common units or Class A common stock. The program does not require KKR to repurchase any specific number of common units or Class A common stock, and the program may be suspended, extended, modified or discontinued at any time.

In addition to the purchases of common units and Class A common stock above, the repurchase program will be used for the cancellation (by cash settlement or the payment of tax withholding amounts upon net settlement) of equity awards issued pursuant to our Equity Incentive Plan (and any successor equity plan thereto) representing the right to receive common units or Class A common stock. See "Part II. Item 2. Unregistered Sales of Equity Securities and Use of Proceeds."

Capital Commitments

The agreements governing our active investment funds generally require the general partners of the funds to make minimum capital commitments to such funds, which usually range from 2% to 8% of a fund's total capital commitments at final closing; however, the size of our general partner commitment to certain funds pursuing newer strategies may exceed this range. The following table presents our uncalled commitments to our active investment funds as of March 31, 2018 :

	Uncalled Commitments
Private Markets	($ in thousands)
Core Investment Vehicles	$ 2,756,900
Americas Fund XII	712,000
Asian Fund III	464,900
Global Infrastructure Investors III	270,000
Real Estate Partners Americas II	219,200
Health Care Strategic Growth	144,700
Next Generation Technology Growth	93,300
European Fund IV	71,200
Real Estate Partners Europe	52,800
Energy Income and Growth	37,800
Real Estate Credit Opportunity Partners	22,500
Other Private Markets Vehicles	543,900
Total Private Markets Commitments	5,389,200
Public Markets	
Special Situations Fund II	143,700
Private Credit Opportunities Partners II	38,000
Lending Partners III	19,500
Lending Partners Europe	16,300
Other Public Markets Vehicles	114,100
Total Public Markets Commitments	331,600
Total Uncalled Commitments	$ 5,720,800

Other Commitments

In addition to the uncalled commitments to our investment funds as shown above, KKR has entered into contractual commitments with respect to (i) the purchase of investments and other assets in our Principal Activities segment, and (ii) underwriting transactions, debt financing, and syndications in our Capital Markets segment. As of March 31, 2018 , these commitments amounted to $275.1 million and $1,114.1 million , respectively. Whether these amounts are actually funded, in whole or in part, depends on the contractual terms of such commitments, including the satisfaction or waiver of any conditions to closing or funding. The unfunded commitments shown for our Capital Markets segment are shown without reflecting arrangements that may reduce the actual amount of contractual commitments shown. Our capital markets business has an arrangement with a third party, which reduces our risk when underwriting certain debt transactions. In the case of purchases of investments or assets in our Principal Activities segment, the amount to be funded includes amounts that are intended to be syndicated to third parties, and the actual amounts to be funded may be less than shown.

Investment in Marshall Wace

On November 2, 2015, KKR entered into a strategic manager partnership with Marshall Wace and acquired a 24.9% interest in Marshall Wace through a combination of cash and common units. Subject to the exercise of a put option by Marshall Wace or a call option by KKR, at subsequent closings to occur in the second, third and fourth years following the initial closing described above, and subject to satisfaction or waiver of certain closing conditions, including regulatory approvals, KKR may at each such closing subscribe (or be required to subscribe) for an incremental 5% equity interest, for ultimate aggregate

ownership of up to 39.9% of Marshall Wace. The exercise of such options would require the use of cash and/or KKR common units. KKR's investment in Marshall Wace is accounted for using the equity method of accounting.

On November 30, 2017, KKR acquired an additional 5.0% interest in Marshall Wace after the exercise of one of the options agreed to between Marshall Wace and KKR. This acquisition was funded through a combination of cash and 4,727,966 common units.

Corporate Capital Trust

During 2017, CCT shareholders approved, among other things, a proposal for KKR Credit Advisors (US) LLC to become CCT's sole investment adviser subject to the listing of CCT's common stock on a national securities exchange, which occurred during the fourth quarter of 2017. Following the listing of CCT on the NYSE, KKR Credit Advisors may purchase up to $50 million of CCT's common stock in the aggregate in open-market transactions. Through March 31, 2018, approximately $23.5 million has been purchased.

Strategic BDC Partnership with FS Investments Corporation

On December 11, 2017, KKR announced a definitive agreement to form a new strategic BDC partnership with FS Investment Corporation. This transaction was completed through a combination of cash and other assets on April 9, 2018.

Tax Receivable Agreement

We and certain intermediate holding companies that are taxable corporations for U.S. federal, state and local income tax purposes, may be required to acquire KKR Group Partnership Units from time to time pursuant to our exchange agreement with KKR Holdings. KKR Management Holdings L.P. made an election under Section 754 of the Code that will remain in effect for each taxable year in which an exchange of KKR Group Partnership Units for common units occurs, which may result in an increase in our intermediate holding companies' share of the tax basis of the assets of the KKR Group Partnerships at the time of an exchange of KKR Group Partnership Units. Certain of these exchanges are expected to result in an increase in our intermediate holding companies' share of the tax basis of the tangible and intangible assets of the KKR Group Partnerships, primarily attributable to a portion of the goodwill inherent in our business that would not otherwise have been available. This increase in tax basis may increase depreciation and amortization deductions for tax purposes and therefore reduce the amount of income tax our intermediate holding companies would otherwise be required to pay in the future. This increase in tax basis may also decrease gain (or increase loss) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

We have entered into a tax receivable agreement with KKR Holdings, which requires our intermediate holding companies to pay to KKR Holdings, or to current and former principals who have exchanged KKR Holdings units for KKR common units as transferees of KKR Group Partnership Units, 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the intermediate holding companies realize as a result of the increase in tax basis described above, as well as 85% of the amount of any such savings the intermediate holding companies realize as a result of increases in tax basis that arise due to future payments under the agreement. We expect our intermediate holding companies to benefit from the remaining 15% of cash savings, if any, in income tax that they realize. A termination of the agreement or a change of control could give rise to similar payments based on tax savings that we would be deemed to realize in connection with such events. In the event that other of our current or future subsidiaries become taxable as corporations and acquire KKR Group Partnership Units in the future, or if we become taxable as a corporation for U.S. federal income tax purposes, we expect that each will become subject to a tax receivable agreement with substantially similar terms.

These payment obligations are obligations of our intermediate holding companies and not the KKR Group Partnerships. As such, cash payments received by common unitholders may vary from those received by holders of KKR Group Partnership Units held by KKR Holdings and its current and former principals to the extent payments are made to those parties under the tax receivable agreement. Payments made under the tax receivable agreement are required to be made within 90 days of the filing of the tax returns of our intermediate holding companies, which may result in a timing difference between the tax savings received by KKR's intermediate holdings companies and the cash payments made to the selling holders of KKR Group Partnership Units.

For the quarter ended March 31, 2018 and 2017, no cash payments were made under the tax receivable agreement. As of March 31, 2018 , $4.2 million of cumulative income tax savings have been realized. See "—Liquidity—Other Liquidity Needs—Contractual Obligations, Commitments and Contingencies" for a discussion of amounts payable and cumulative cash payments made under this agreement.

Regarding the impact of the Conversion, see "Part II. Item 5. Other Information" and "Part II. Item 1A. Risk Factors— As a result of the Conversion, we expect to pay more corporate income taxes and also expect to make larger payments under our tax receivable agreement than we would as a limited partnership. We also expect the anticipated amount of annual dividends to our Class A common stockholders immediately following the Conversion, if declared, to be lower than the distribution amounts we declared in prior annual periods as a limited partnership. In addition, we may fail to realize all or some of the anticipated benefits of the Conversion or those benefits may take longer to realize than expected, which could have a material and adverse impact on the trading price of our securities. "

Distributions

A distribution of $0.17 per common unit has been declared, which will be paid on May 29, 2018 to holders of record of common units as of the close of business on May 14, 2018 .

A distribution of $0.421875 per Series A Preferred Unit has been declared and set aside for payment on June 15, 2018 to holders of record of Series A Preferred Units as of the close of business on June 1, 2018. A distribution of $0.406250 per Series B Preferred Unit has been declared and set aside for payment on June 15, 2018 to holders of record of Series B Preferred Units as of the close of business on June 1, 2018.

When KKR & Co. L.P. receives distributions from the KKR Group Partnerships (the holding companies of the KKR business), KKR Holdings receives its pro rata share of such distributions from the KKR Group Partnerships.

The declaration and payment of any future distributions on preferred or common units are subject to the discretion of the board of directors of the general partner of KKR & Co. L.P. and the terms of its limited partnership agreement. There can be no assurance that future distributions will be made as intended or at all, that unitholders will receive sufficient distributions to satisfy payment of their tax liabilities as limited partners of KKR & Co. L.P. or that any particular distribution policy for common units will be maintained. Furthermore, the declaration and payment of distributions by the KKR Group Partnerships and our other subsidiaries may also be subject to legal, contractual and regulatory restrictions, including restrictions contained in our debt agreements and the terms of the preferred units of the KKR Group Partnerships.

Following the Conversion, the declaration and payment of dividends to our common stockholders will be at the sole discretion of our board of directors, and our dividend policy may be changed at any time. As a corporation, we expect our dividends to our Class A common stockholders, if declared, to be lower than the distribution amounts we declared in prior periods as a limited partnership. Our distribution policy as a limited partnership has been to pay annual aggregate distributions to holders of our common units of $0.68 per common unit, and we have announced that we anticipate that our dividend policy beginning in the third quarter of 2018 will be to pay dividends to holders of our Class A common stock in an initial annual aggregate amount of $0.50 per share, in each case, subject to the discretion of our board of directors and compliance with applicable law. For U.S. federal income tax purposes, any dividends we pay following the Conversion (including dividends on our preferred shares) generally will be treated as qualified dividend income (generally taxable to U.S. individual stockholders at capital gain rates) paid by a domestic corporation to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Following the Conversion, no income, gains, losses, deductions or credits of KKR will flow through to the stockholders for U.S. federal income tax purposes.

Other Liquidity Needs

We may also be required to fund various underwriting, syndications and fronting commitments in our capital markets business in connection with the underwriting of loans, securities or other financial instruments, which has increased in significance in recent periods and may continue to be significant in future periods. We generally expect that these commitments will be syndicated to third parties or otherwise fulfilled or terminated, although we may in some instances elect to retain a portion of the commitments for our own investment.

Contractual Obligations, Commitments and Contingencies

In the ordinary course of business, we and our consolidated funds and CFEs enter into contractual arrangements that may require future cash payments. The following table sets forth information relating to anticipated future cash payments as of March 31, 2018 excluding consolidated funds and CFEs with a reconciliation of such amounts to the anticipated future cash payments of KKR including consolidated funds and CFEs.

	Payments due by Period				
Types of Contractual Obligations	**<1 Year**	**1-3 Years**	**3-5 Years**	**>5 Years**	**Total**
			($ in millions)		
Uncalled commitments to investment funds [1]	$ 5,720.8	$ —	$ —	$ —	$ 5,720.8
Debt payment obligations [2]	—	500.0	235.3	2,528.8	3,264.1
Interest obligations on debt [3]	207.7	301.4	253.6	2,114.7	2,877.4
Underwriting commitments [4]	888.2	—	—	—	888.2
Lending commitments [5]	225.9	—	—	—	225.9
Purchase commitments [6]	275.1	—	—	—	275.1
Lease obligations	51.4	87.8	22.2	12.9	174.3
Corporate real estate [7]	—	292.5	—	—	292.5
Total Contractual Obligations of KKR	7,369.1	1,181.7	511.1	4,656.4	13,718.3
Plus: Uncalled commitments of consolidated funds [8]	10,803.7	—	—	—	10,803.7
Plus: Debt payment obligations of consolidated funds and CFEs [9]	851.0	2,348.8	411.4	14,905.5	18,516.7
Plus: Interest obligations of consolidated funds and CFEs [10]	597.4	1,242.4	1,025.4	2,303.0	5,168.2
Plus: Purchase commitments of consolidated funds [11]	306.7	—	—	—	306.7
Total Consolidated Contractual Obligations	$ 19,927.9	$ 4,772.9	$ 1,947.9	$ 21,864.9	$ 48,513.6

(1) These uncalled commitments represent amounts committed by us to fund a portion of the purchase price paid for each investment made by our investment funds which are actively investing. Because capital contributions are due on demand, the above commitments have been presented as falling due within one year. However, given the size of such commitments and the pace at which our investment funds make investments, we expect that the capital commitments presented above will be called over a period of several years. See "—Liquidity—Liquidity Needs."

(2) Amounts include (i) $500 million aggregate principal amount of 6.375% Senior Notes due 2020 issued by KKR Group Finance Co. LLC, $500 million aggregate principal amount of 5.500% Senior Notes due 2043 issued by KKR Group Finance Co. II LLC, and $1,000 million aggregate principal amount of 5.125% Senior Notes due 2044 issued by KKR Group Finance Co. III LLC, gross of unamortized discount, (ii) $379.3 million aggregate principal amount of 0.509% Senior Notes due 2023, 0.764% Senior Notes due 2025, and 1.595% Senior Notes due 2038 issued by KKR Group Finance Co. IV LLC (denominated in Japanese Yen), (iii) $500 million aggregate principal amount of KFN 2032 Senior Notes, gross of unamortized discount, (iv) $120 million aggregate principal amount of KFN 2033 Senior Notes, and (v) $264.8 million aggregate principal amount of KFN junior subordinated notes, gross of unamortized discount. KFN's debt obligations are non-recourse to KKR beyond the assets of KFN.

(3) These interest obligations on debt represent estimated interest to be paid over the maturity of the related debt obligation, which has been calculated assuming the debt outstanding at March 31, 2018 is not repaid until its maturity. Future interest rates are assumed to be those in effect as of March 31, 2018 , including both variable and fixed rates, as applicable, provided for by the relevant debt agreements. The amounts presented above include accrued interest on outstanding indebtedness.

(4) Represents various commitments in our capital markets business in connection with the underwriting of loans, securities and other financial instruments. These commitments are shown net of amounts syndicated.

(5) Represents obligations in our capital markets business to lend under various revolving credit facilities.

(6) Represents commitments of KKR and KFN to fund the purchase of various investments.

(7) Represents the purchase price due upon delivery of a new KKR office being constructed, all or a portion of which represents construction financing obtained by the developer and may be refinanced upon delivery of the completed office.

(8) Represents uncalled commitments of our consolidated funds excluding KKR's portion of uncalled commitments as the general partner of the respective funds.

(9) Amounts include (i) financing arrangements entered into by our consolidated funds with the objective of providing liquidity to the funds of $3.3 billion , (ii) debt securities issued by our consolidated CLOs of $10.2 billion and (iii) debt securities issued by our consolidated CMBS entities of $5.0 billion . In April 2018, a consolidated entity of KKR sold its controlling beneficial interest in four consolidated CMBS vehicles. Debt securities issued by consolidated CLOs and CMBS entities are supported solely by the investments held at the CLO and CMBS vehicles and are not collateralized by assets of any other KKR entity. Obligations under financing arrangements entered into by our consolidated funds are generally limited to our pro rata equity interest in such funds. Our management companies bear no obligations to repay any financing arrangements at our consolidated funds.

(10) The interest obligations on debt of our consolidated funds and CFEs represent estimated interest to be paid over the maturity of the related debt obligation, which has been calculated assuming the debt outstanding at March 31, 2018 is not repaid until its maturity. Future interest rates are assumed to be those in effect as of March 31, 2018 , including both variable and fixed rates, as applicable, provided for by the relevant debt agreements. The amounts presented above include accrued interest on outstanding indebtedness.

(11) Represents commitments of consolidated funds to fund the purchase of various investments.

The commitment table above excludes contractual amounts owed under the tax receivable agreement because the ultimate amount and timing of the amounts due are not presently known. As of March 31, 2018 , an undiscounted payable of $83.7 million has been recorded in due to affiliates in the consolidated financial statements representing management's best estimate of the amounts currently expected to be owed under the tax receivable agreement. As of March 31, 2018 , approximately $24.0 million of cumulative cash payments have been made under the tax receivable agreement. See "—Liquidity Needs—Tax Receivable Agreement" and "Part II. Item 1A. Risk Factors— As a result of the Conversion, we expect to pay more corporate income taxes and also expect to make larger payments under our tax receivable agreement than we would as a limited partnership. We also expect the anticipated amount of annual dividends to our Class A common stockholders immediately following the Conversion, if declared, to be lower than the distribution amounts we declared in prior annual periods as a limited partnership. In addition, we may fail to realize all or some of the anticipated benefits of the Conversion or those benefits may take longer to realize than expected, which could have a material and adverse impact on the trading price of our securities. "

We may incur contingent liabilities for claims that may be made against us in the future. We enter into contracts that contain a variety of representations, warranties and covenants, including indemnifications. For example, certain of our investment funds and KFN have provided certain indemnities relating to environmental and other matters and have provided nonrecourse carve-out guarantees for fraud, willful misconduct and other customary wrongful acts, each in connection with the financing of certain real estate investments that we have made. KKR has also provided certain guarantees for fraud, willful misconduct, bankruptcy and other customary wrongful acts in connection with certain investment vehicles. KKR has also guaranteed certain of our employees' (other than our named executive officers) and consultants' personal loans obtained in connection with certain fund investments. We have also indemnified employees and non-employees against potential liabilities, in connection with their service as described under “Item 13. Certain Relationships and Related Transactions, and Director Independence-Indemnification of Directors, Officers and Others” in our Annual Report. In addition, we have also provided credit support to certain of our subsidiaries' obligations in connection with certain investment vehicles or partnerships that we manage. For example, KKR has guaranteed the obligations of a general partner to post collateral on behalf of its investment vehicle in connection with such vehicle's derivative transactions, and we have also agreed to be liable for certain investment losses and/or for providing liquidity in the events specified in the governing documents of certain investment vehicles. Our maximum exposure under these arrangements is currently unknown as our liabilities for these matters would require a claim to be made against us in the future.

The partnership documents governing our carry-paying funds, including funds and vehicles relating to private equity, mezzanine, infrastructure, energy, direct lending and special situations investments, generally include a "clawback" provision that, if triggered, may give rise to a contingent obligation requiring the general partner to return amounts to the fund for distribution to the fund investors at the end of the life of the fund. Under a clawback obligation, upon the liquidation of a fund,

the general partner is required to return, typically on an after-tax basis, previously distributed carry to the extent that, due to the diminished performance of later investments, the aggregate amount of carry distributions received by the general partner during the term of the fund exceed the amount to which the general partner was ultimately entitled, including the effects of any performance thresholds. Excluding carried interest received by the general partners of funds that were not contributed to us in the KPE Transaction, as of March 31, 2018 , $12.6 million of carried interest was subject to this clawback obligation, assuming that all applicable carry paying funds were liquidated at their March 31, 2018 fair values. Had the investments in such funds been liquidated at zero value, the clawback obligation would have been approximately $1.8 billion . Carried interest is recognized in the statement of operations based on the contractual conditions set forth in the agreements governing the fund as if the fund were terminated and liquidated at the reporting date and the fund's investments were realized at the then estimated fair values. Amounts earned pursuant to carried interest are earned by the general partner of those funds to the extent that cumulative investment returns are positive and where applicable, preferred return thresholds have been met. If these investment amounts earned decrease or turn negative in subsequent periods, recognized carried interest will be reversed and to the extent that the aggregate amount of carry distributions received by the general partner during the term of the fund exceed the amount to which the general partner was ultimately entitled, a clawback obligation would be recorded. For funds that are consolidated, this clawback obligation, if any, is reflected as an increase in noncontrolling interests in the consolidated statements of financial condition. For funds that are not consolidated, this clawback obligation, if any, is reflected as a reduction of our investment balance as this is where carried interest is initially recorded.

Off Balance Sheet Arrangements

Other than contractual commitments and other legal contingencies incurred in the normal course of our business, we do not have any off-balance sheet financings or liabilities.

Critical Accounting Policies

The preparation of our consolidated financial statements in accordance with GAAP requires our management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and reported amounts of fees, expenses and investment income. Our management bases these estimates and judgments on available information, historical experience and other assumptions that we believe are reasonable under the circumstances. However, these estimates, judgments and assumptions are often subjective and may be impacted negatively based on changing circumstances or changes in our analyses. If actual amounts are ultimately different from those estimated, judged or assumed, revisions are included in the consolidated financial statements in the period in which the actual amounts become known. We believe our critical accounting policies could potentially produce materially different results if we were to change underlying estimates, judgments or assumptions.

The following discussion details certain of our critical accounting policies. For a full discussion of all critical accounting policies, please see Note 2 "Summary of Significant Accounting Policies" to the condensed consolidated financial statements included elsewhere in this report.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. Except for certain of KKR's equity method investments and debt obligations, KKR's investments and other financial instruments are recorded at fair value or at amounts whose carrying values approximate fair value. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation techniques are applied. These valuation techniques involve varying levels of management estimation and judgment, the degree of which is dependent on a variety of factors.

GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

Level I

Pricing inputs are unadjusted, quoted prices in active markets for identical assets or liabilities as of the measurement date. The types of financial instruments included in this category are publicly-listed equities and securities sold short.

We classified 5.4% of total investments measured and reported at fair value as Level I at March 31, 2018 .

Level II

Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies. The types of financial instruments included in this category are credit investments, investments and debt obligations of consolidated CLO entities, convertible debt securities indexed to publicly-listed securities, less liquid and restricted equity securities and certain over-the-counter derivatives such as foreign currency option and forward contracts.

We classified 39.3% of total investments measured and reported at fair value as Level II at March 31, 2018 .

Level III

Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation. The types of financial instruments generally included in this category are private portfolio companies, real assets investments, credit investments, equity method investments for which the fair value option was elected and investments and debt obligations of consolidated CMBS entities.

We classified 55.3% of total investments measured and reported at fair value as Level III at March 31, 2018 . The valuation of our Level III investments at March 31, 2018 represents management's best estimate of the amounts that we would anticipate realizing on the sale of these investments in an orderly transaction at such date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the asset.

A significant decrease in the volume and level of activity for the asset or liability is an indication that transactions or quoted prices may not be representative of fair value because in such market conditions there may be increased instances of transactions that are not orderly. In those circumstances, further analysis of transactions or quoted prices is needed, and a significant adjustment to the transactions or quoted prices may be necessary to estimate fair value.

The availability of observable inputs can vary depending on the financial asset or liability and is affected by a wide variety of factors, including, for example, the type of instrument, whether the instrument has recently been issued, whether the instrument is traded on an active exchange or in the secondary market, and current market conditions. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by us in determining fair value is greatest for instruments categorized in Level III. The variability and availability of the observable inputs affected by the factors described above may cause transfers between Levels I, II, and III, which we recognize at the beginning of the reporting period.

Investments and other financial instruments that have readily observable market prices (such as those traded on a securities exchange) are stated at the last quoted sales price as of the reporting date. We do not adjust the quoted price for these investments, even in situations where we hold a large position and a sale could reasonably affect the quoted price.

Management's determination of fair value is based upon the methodologies and processes described below and may incorporate assumptions that are management's best estimates after consideration of a variety of internal and external factors.

Level II Valuation Methodologies

Credit Investments: These instruments generally have bid and ask prices that can be observed in the marketplace. Bid prices reflect the highest price that KKR and others are willing to pay for an instrument. Ask prices represent the lowest price that KKR and others are willing to accept for an instrument. For financial assets and liabilities whose inputs are based on bid-ask prices obtained from third party pricing services, fair value may not always be a predetermined point in the bid-ask range. KKR's policy is generally to allow for mid-market pricing and adjusting to the point within the bid-ask range that meets KKR's best estimate of fair value.

Investments and Debt Obligations of Consolidated CLO Vehicles: Investments of consolidated CLO vehicles are valued using the same valuation methodology as described above for credit investments. Under ASU 2014-13, KKR measures CLO debt obligations on the basis of the fair value of the financial assets of the CLO.

Securities indexed to publicly-listed securities: The securities are typically valued using standard convertible security pricing models. The key inputs into these models that require some amount of judgment are the credit spreads utilized and the volatility assumed. To the extent the company being valued has other outstanding debt securities that are publicly-traded, the implied credit spread on the company's other outstanding debt securities would be utilized in the valuation. To the extent the company being valued does not have other outstanding debt securities that are publicly-traded, the credit spread will be estimated based on the implied credit spreads observed in comparable publicly-traded debt securities. In certain cases, an additional spread will be added to reflect an illiquidity discount due to the fact that the security being valued is not publicly-traded. The volatility assumption is based upon the historically observed volatility of the underlying equity security into which the convertible debt security is convertible and/or the volatility implied by the prices of options on the underlying equity security.

Restricted Equity Securities: The valuation of certain equity securities is based on an observable price for an identical security adjusted for the effect of a restriction.

Derivatives: The valuation incorporates observable inputs comprising yield curves, foreign currency rates and credit spreads.

Level III Valuation Methodologies

Financial assets and liabilities categorized as Level III consist primarily of the following:

Private Equity Investments: We generally employ two valuation methodologies when determining the fair value of a private equity investment. The first methodology is typically a market comparables analysis that considers key financial inputs and recent public and private transactions and other available measures. The second methodology utilized is typically a discounted cash flow analysis, which incorporates significant assumptions and judgments. Estimates of key inputs used in this methodology include the weighted average cost of capital for the investment and assumed inputs used to calculate terminal values, such as exit EBITDA multiples. In certain cases the results of the discounted cash flow approach can be significantly impacted by these estimates. Other inputs are also used in both methodologies. Also, as discussed in greater detail under "—Business Environment" and "Risk Factors—Risks Related to the Assets We Manage—Our investments are impacted by various economic conditions that are difficult to quantify or predict, but may have a significant adverse impact on the value of our investments" in this report, a change in interest rates could have a significant impact on valuations. In addition, when a definitive agreement has been executed to sell an investment, KKR generally considers a significant determinant of fair value to be the consideration to be received by KKR pursuant to the executed definitive agreement.

Upon completion of the valuations conducted using these methodologies, a weighting is ascribed to each method, and an illiquidity discount is typically applied where appropriate. The ultimate fair value recorded for a particular investment will generally be within a range suggested by the two methodologies, except that the value may be higher or lower than such range in the case of investments being sold pursuant to an executed definitive agreement.

When determining the weighting ascribed to each valuation methodology, we consider, among other factors, the availability of direct market comparables, the applicability of a discounted cash flow analysis, the expected hold period and manner of realization for the investment, and in the case of investments being sold pursuant to an executed definitive agreement, we estimated probability of such a sale being completed. These factors can result in different weightings among investments in the portfolio and in certain instances may result in up to a 100% weighting to a single methodology. Across the total Level III private equity investment portfolio, including investments in both consolidated and unconsolidated investment funds, approximately 78% of the fair value is derived from investments that are valued based exactly 50% on market

comparables and 50% on a discounted cash flow analysis. Less than 5% of the fair value of this Level III private equity investment portfolio is derived from investments that are valued either based 100% on market comparables or 100% on a discounted cash flow analysis. As of March 31, 2018 , the overall weights ascribed to the market comparables methodology, the discounted cash flow methodology and a methodology based on pending sales for this portfolio of Level III private equity investments were 44%, 49% and 7%, respectively.

When an illiquidity discount is to be applied, we seek to take a uniform approach across our portfolio and generally apply a minimum 5% discount to all private equity investments. We then evaluate such private equity investments to determine if factors exist that could make it more challenging to monetize the investment and, therefore, justify applying a higher illiquidity discount. These factors generally include (i) whether we are unable to freely sell the portfolio company or conduct an initial public offering of the portfolio company due to the consent rights of a third party or similar factors, (ii) whether the portfolio company is undergoing significant restructuring activity or similar factors and (iii) characteristics about the portfolio company regarding its size and/or whether the portfolio company is experiencing, or expected to experience, a significant decline in earnings. These factors generally make it less likely that a portfolio company would be sold or publicly offered in the near term at a price indicated by using just a market multiples and/or discounted cash flow analysis, and these factors tend to reduce the number of opportunities to sell an investment and/or increase the time horizon over which an investment may be monetized. Depending on the applicability of these factors, we determine the amount of any incremental illiquidity discount to be applied above the 5% minimum, and during the time we hold the investment, the illiquidity discount may be increased or decreased, from time to time, based on changes to these factors. The amount of illiquidity discount applied at any time requires considerable judgment about what a market participant would consider and is based on the facts and circumstances of each individual investment. Accordingly, the illiquidity discount ultimately considered by a market participant upon the realization of any investment may be higher or lower than that estimated by us in our valuations.

In the case of growth equity investments, enterprise values may be determined using the market comparables analysis and discounted cash flow analysis described above. A scenario analysis may also be conducted to subject the estimated enterprise values to a downside, base and upside case, which involves significant assumptions and judgments. A milestone analysis may also be conducted to assess the current level of progress towards value drivers that we have determined to be important, which involves significant assumptions and judgments. The enterprise value in each case may then be allocated across the investment's capital structure to reflect the terms of the security and subjected to probability weightings. In certain cases, the values of growth equity investments may be based on recent or expected financings.

Real Asset Investments: Real asset investments in infrastructure, energy and real estate are valued using one or more of the discounted cash flow analysis, market comparables analysis and direct income capitalization, which in each case incorporates significant assumptions and judgments. Infrastructure investments are generally valued using the discounted cash flow analysis. Key inputs used in this methodology can include the weighted average cost of capital and assumed inputs used to calculate terminal values, such as exit EBITDA multiples. Energy investments are generally valued using a discounted cash flow analysis. Key inputs used in this methodology that require estimates include the weighted average cost of capital. In addition, the valuations of energy investments generally incorporate both commodity prices as quoted on indices and long-term commodity price forecasts, which may be substantially different from, and are currently higher than, commodity prices on certain indices for equivalent future dates. Certain energy investments do not include an illiquidity discount. Long-term commodity price forecasts are utilized to capture the value of the investments across a range of commodity prices within the energy investment portfolio associated with future development and to reflect a range of price expectations. Real estate investments are generally valued using a combination of direct income capitalization and discounted cash flow analysis. Key inputs used in such methodologies that require estimates include an unlevered discount rate and current capitalization rate, and certain real estate investments do not include a minimum illiquidity discount. The valuations of real assets investments also use other inputs.

On a segment basis, our energy real asset investments in oil and gas-producing properties as of March 31, 2018 had a fair value of approximately $688 million. Based on this fair value, we estimate that an immediate, hypothetical 10% decline in the fair value of these energy investments from one or more adverse movements to the investments' valuation inputs would result in a decline in investment income of $68.8 million and a decline in net income attributable to KKR & Co. L.P. of $40.9 million, after deducting amounts that are attributable to noncontrolling interests held by KKR Holdings L.P. As of March 31, 2018, if we were to value our energy investments using only the commodity prices as quoted on indices and did not use long-term commodity price forecasts, and also held all other inputs to their valuation constant, we estimate that investment income would have been approximately $70 million lower, resulting in a lower amount of net income attributable to KKR & Co. L.P. of approximately 59.5% of the overall decrease in investment income, after deducting amounts that are attributable to noncontrolling interests held by KKR Holdings L.P.

These hypothetical declines relate only to investment income. There would be no current impact on KKR's carried interest since all of the investment funds which hold these types of energy investments have investment values that are either below their cost or not currently accruing carried interest. Additionally, there would be no impact on fees since fees earned from investment funds which hold investments in oil and gas-producing properties are based on either committed capital or capital invested.

For GAAP purposes, where KKR holds energy investments consisting of working interests in oil and gas-producing properties directly and not through an investment fund, such working interests are consolidated based on the proportion of the working interests held by us. Accordingly, we reflect the assets, liabilities, revenues, expenses, investment income and cash flows of the consolidated working interests on a gross basis and changes in the value of these energy investments are not reflected as unrealized gains and losses in the consolidated statements of operations. Accordingly, a change in fair value for these investments does not result in a decrease in net gains (losses) from investment activities, but may result in an impairment charge reflected in general, administrative and other expenses. For segment purposes, these directly held working interests are treated as investments and changes in value are reflected in our segment results as unrealized gains and losses.

Credit Investments: Credit investments are valued using values obtained from dealers or market makers, and where these values are not available, credit investments are generally valued by us based on ranges of valuations determined by an independent valuation firm. Valuation models are based on discounted cash flow analyses, for which the key inputs are determined based on market comparables, which incorporate similar instruments from similar issuers.

Other Investments: With respect to other investments including equity method investments for which the fair value election has been made, we generally employ the same valuation methodologies as described above for private equity investments when valuing these other investments.

Investments and Debt Obligations of Consolidated CMBS Vehicles: Under ASU 2014-13, we measure CMBS investments on the basis of the fair value of the financial liabilities of the CMBS. Debt obligations of consolidated CMBS vehicles are valued based on discounted cash flow analyses. The key input is the expected yield of each CMBS security using both observable and unobservable factors, which may include recently offered or completed trades and published yields of similar securities, security-specific characteristics (e.g. securities ratings issued by nationally recognized statistical rating organizations, credit support by other subordinate securities issued by the CMBS and coupon type) and other characteristics.

Key unobservable inputs that have a significant impact on our Level III investment valuations as described above are included in Note 5 "Fair Value Measurements" of the financial statements included elsewhere in this report. We utilize several unobservable pricing inputs and assumptions in determining the fair value of our Level III investments. These unobservable pricing inputs and assumptions may differ by investment and in the application of our valuation methodologies. Our reported fair value estimates could vary materially if we had chosen to incorporate different unobservable pricing inputs and other assumptions or, for applicable investments, if we only used either the discounted cash flow methodology or the market comparables methodology instead of assigning a weighting to both methodologies. For valuations determined for periods other than at year end, various inputs may be estimated prior to the end of the relevant period.

Level III Valuation Process

The valuation process involved for Level III measurements is completed on a quarterly basis and is designed to subject the valuation of Level III investments to an appropriate level of consistency, oversight, and review.

For Private Markets investments classified as Level III, investment professionals prepare preliminary valuations based on their evaluation of financial and operating data, company specific developments, market valuations of comparable companies and other factors. These preliminary valuations are reviewed by an independent valuation firm engaged by KKR to perform certain procedures in order to assess the reasonableness of KKR's valuations annually for all Level III investments in Private Markets and quarterly for investments other than certain investments, which have values less than pre-set value thresholds and which in the aggregate comprise less than 5% of the total value of KKR's Level III Private Markets investments. The valuations of certain real asset investments are determined solely by an independent valuation firm without the preparation of preliminary valuations by our investment professionals, and instead such independent valuation firm relies on valuation information available to it as a broker or valuation firm. For credit investments and debt obligations of consolidated CMBS vehicles, an independent valuation firm is generally engaged quarterly by KKR with respect to most investments classified as Level III. The valuation firm either provides a value or provides a valuation range from which KKR's investment professionals select a point in the range to determine the preliminary valuation or performs certain procedures in order to assess the reasonableness and provide positive assurance of KKR's valuations. After reflecting any input from the independent valuation firm, the valuation

proposals are submitted for review and approval by KKR's valuation committees. As of March 31, 2018 , less than 5% of the total value of our Level III credit investments were not valued with the engagement of an independent valuation firm.

KKR has a global valuation committee that is responsible for coordinating and implementing the firm's valuation process to ensure consistency in the application of valuation principles across portfolio investments and between periods. The global valuation committee is assisted by the asset class-specific valuation committees that exist for private equity (including growth equity), real estate, energy and infrastructure and credit. The asset class-specific valuation committees are responsible for the review and approval of all preliminary Level III valuations in their respective asset classes on a quarterly basis. The members of these valuation committees are comprised of investment professionals, including the heads of each respective strategy, and professionals from business operations functions such as legal, compliance and finance, who are not primarily responsible for the management of the investments. For periods prior to the completion of the PAAMCO Prisma transaction, when Level III valuations were required to be performed on hedge fund investments, a valuation committee for hedge funds reviewed these valuations.

All Level III valuations are also subject to approval by the global valuation committee, which is comprised of senior employees including investment professionals and professionals from business operations functions, and includes one of KKR's Co-Presidents and Co-Chief Operating Officers and its Chief Financial Officer, General Counsel and Chief Compliance Officer. When valuations are approved by the global valuation committee after reflecting any input from it, the valuations of Level III investments, as well as the valuations of Level I and Level II investments, are presented to the audit committee of the board of directors of the general partner of KKR & Co. L.P. and are then reported to the board of directors.

As of March 31, 2018 , upon completion by, where applicable, an independent valuation firm of certain limited procedures requested to be performed by them on certain investments, the independent valuation firm concluded that the fair values, as determined by KKR, of those investments reviewed by them were reasonable. The limited procedures did not involve an audit, review, compilation or any other form of examination or attestation under generally accepted auditing standards and were not conducted on all Level III investments. We are responsible for determining the fair value of investments in good faith, and the limited procedures performed by an independent valuation firm are supplementary to the inquiries and procedures that we are required to undertake to determine the fair value of the commensurate investments.

As described above, Level II and Level III investments were valued using internal models with significant unobservable inputs and our determinations of the fair values of these investments may differ materially from the values that would have resulted if readily observable inputs had existed. Additional external factors may cause those values, and the values of investments for which readily observable inputs exist, to increase or decrease over time, which may create volatility in our earnings and the amounts of assets and partners' capital that we report from time to time.

Changes in the fair value of investments impacts the amount of carried interest that is recognized as well as the amount of investment income that is recognized for investments held directly and through our consolidated funds as described below. We estimate that an immediate 10% decrease in the fair value of investments held directly and through consolidated investment funds generally would result in a commensurate change in the amount of net gains (losses) from investment activities for investments held directly and through investment funds and a more significant impact to the amount of carried interest recognized, regardless of whether the investment was valued using observable market prices or management estimates with significant unobservable pricing inputs. With respect to consolidated investment funds, the impact that the consequential decrease in investment income would have on net income attributable to KKR would generally be significantly less than the amount described above, given that a majority of the change in fair value of our consolidated funds would be attributable to noncontrolling interests and therefore we are only impacted to the extent of our carried interest and our balance sheet investments.

As of March 31, 2018 , there were no investments which represented greater than 5% of total investments on a GAAP basis. On a segment basis, as of March 31, 2018 , investments which represented greater than 5% of total reportable segments investments consisted of First Data Corporation and USI, Inc. valued at $1,138.4 million and $574.1 million , respectively. Our investment income can be impacted by volatility in the public markets related to our holdings of publicly traded securities, including our sizable holdings of First Data Corporation. For the quarter ended March 31, 2018 , the decrease in the stock price of First Data Corporation decreased economic net income on a segment basis by approximately $63 million. See "—Business Environment" for a discussion on the impact of global equity markets on our financial condition and "—Segment Balance Sheet" for additional information regarding our largest holdings on a segment basis.

Recognition of Investment Income

Investment income consists primarily of the net impact of: (i) realized and unrealized gains and losses on investments, (ii) dividends, (iii) interest income, (iv) interest expense and (v) foreign exchange gains and losses relating to mark-to-market activity on foreign exchange forward contracts, foreign currency options, foreign denominated debt and debt securities issued by consolidated CFEs. Unrealized gains or losses resulting from the aforementioned activities are included in net gains (losses) from investment activities. Upon disposition of an instrument that is marked-to-market, previously recognized unrealized gains or losses are reversed and a realized gain or loss is recognized. While this reversal generally does not significantly impact the net amounts of gains (losses) that we recognize from investment activities, it affects the manner in which we classify our gains and losses for reporting purposes.

Certain of our investment funds are consolidated. When a fund is consolidated, the portion of our funds' investment income that is allocable to our carried interests and capital investments is not shown in the consolidated financial statements. For funds that are consolidated, all investment income (loss), including the portion of a funds' investment income (loss) that is allocable to KKR's carried interest, is included in investment income (loss) on the consolidated statements of operations. The carried interest that KKR retains in net income (loss) attributable to KKR & Co. L.P. is reflected as an adjustment to net income (loss) attributable to noncontrolling interests. However, because certain of our funds remain consolidated and because we hold a minority economic interest in these funds' investments, our share of the investment income is less than the total amount of investment income presented in the consolidated financial statements for these consolidated funds.

Recognition of Carried Interest in the Statement of Operations

Carried interest entitles the general partner of a fund to a greater allocable share of the fund's earnings from investments relative to the capital contributed by the general partner and correspondingly reduces noncontrolling interests' attributable share of those earnings. Carried interest is earned by the general partner of those funds to the extent that cumulative investment returns are positive and where applicable, preferred return thresholds have been met. If these investment returns decrease or turn negative in subsequent periods, recognized carried interest will be reversed and reflected as losses in the statement of operations. For funds that are not consolidated, amounts earned pursuant to carried interest are included in fees and other in the consolidated statements of operations. Amounts earned pursuant to carried interest at consolidated funds are eliminated from fees and other upon consolidation of the fund and are included as investment income (loss) in net gains (losses) from investment activities along with all of the other investment gains and losses at the consolidated fund.

Carried interest is recognized in the statement of operations based on the contractual conditions set forth in the agreements governing the fund as if the fund were terminated and liquidated at the reporting date and the fund's investments were realized at the then estimated fair values. Due to the extended durations of our private equity funds, we believe that this approach results in income recognition that best reflects our periodic performance in the management of those funds. Amounts earned pursuant to carried interest are earned by the general partner of those funds to the extent that cumulative investment returns are positive and where applicable, preferred return thresholds have been met. If these investment amounts earned decrease or turn negative in subsequent periods, recognized carried interest will be reversed and to the extent that the aggregate amount of carry distributions received by the general partner during the term of the fund exceed the amount to which the general partner was ultimately entitled, a clawback obligation would be recorded. For funds that are not consolidated, this clawback obligation, if any, is reflected as a reduction of our investment balance as this is where carried interest is initially recorded. For funds that are consolidated, this clawback obligation, if any, is reflected as an increase in noncontrolling interests in the consolidated statements of financial condition.

Prior to January 1, 2016, most of our historical private equity funds that provide for carried interest do not have a preferred return. For these funds, the management company is required to refund up to 20% of any management fees earned from its limited partners in the event that the fund recognizes carried interest. At such time as the fund recognizes carried interest in an amount sufficient to cover 20% of the management fees earned or a portion thereof, a liability due to the fund's limited partners is recorded and revenue is reduced for the amount of the carried interest recognized, not to exceed 20% of the management fees earned. The refunds to the limited partners are paid, and liabilities relieved, at such time that the underlying investment is sold and the associated carried interest is realized. In the event that a fund's carried interest is not sufficient to cover all or a portion of the amount that represents 20% of the earned management fees, such management fees would be retained and not returned to the funds' limited partners.

Most of our newer investment funds that provide for carried interest, however, have a preferred return. In this case, the management company does not refund the management fees earned from the limited partners of the fund as described above. Instead, the management fee is effectively returned to the limited partners through a reduction of the realized gain on which carried interest is calculated. To calculate the carried interest, KKR calculates whether a preferred return has been achieved

based on an amount that includes all of the management fees paid by the limited partners as well as the other capital contributions and expenses paid by them to date. To the extent the fund has exceeded the preferred return at the time of a realization event, and subject to any other conditions for the payment of carried interest like netting holes, carried interest is distributed to the general partner. Until the preferred return is achieved, no carried interest is recorded. Thereafter, the general partner is entitled to a catch up allocation such that the general partner's carried interest is paid in respect of all of the fund's net gains, including the net gains used to pay the preferred return, until the general partner has received the full percentage amount of carried interest that the general partner is entitled to under the terms of the fund. In general, investment funds that entitle the management company to receive an incentive fee have a preferred return and are calculated on a similar basis that takes into account management fees paid.

Recently Issued Accounting Pronouncements

For a full discussion of recently issued accounting pronouncements, please see Note 2 "Summary of Significant Accounting Policies" to the condensed consolidated financial statements included elsewhere in this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There was no material change in our market risks during the three months ended March 31, 2018. For additional information, please refer to our Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 23, 2018.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that the information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and such information is accumulated and communicated to management, including the Co-Chief Executive Officers and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurances of achieving the desired control objectives.

As of the period ended March 31, 2018 , we carried out an evaluation, under the supervision and with the participation of our management, including the Co-Chief Executive Officers and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Co-Chief Executive Officers and Chief Financial Officer have concluded that, as of the period ended March 31, 2018 , our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) of the Exchange Act) occurred during the three months ended March 31, 2018 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The section entitled "Litigation" appearing in Note 17 "Commitments and Contingencies" to our condensed consolidated financial statements included elsewhere in this report is incorporated herein by reference.

ITEM 1A. RISK FACTORS.

As a result of the Conversion, we expect to pay more corporate income taxes and also expect to make larger payments under our tax receivable agreement than we would as a limited partnership. We also expect the anticipated amount of annual dividends to our Class A common stockholders immediately following the Conversion, if declared, to be lower than the distribution amounts we declared in prior annual periods as a limited partnership. In addition, we may fail to realize all or some of the anticipated benefits of the Conversion or those benefits may take longer to realize than expected, which could have a material and adverse impact on the trading price of our securities.

On May 3, 2018, we announced our decision to convert KKR & Co. L.P. from a limited partnership to a corporation, effective July 1, 2018. See "Part II. Item 5. Other Information." Following the Conversion, all of our net income will be subject to U.S. federal (and state and local) corporate income taxes, which may reduce the amount of cash available for dividends or reinvestment in our business as well as reduce our reported after-tax earnings. Effective January 1, 2018, the maximum U.S. federal corporate income tax rate is 21%, but this rate may increase in the future, which would cause us to pay more corporate income taxes than currently anticipated. For the quarter ended March 31, 2018, our effective tax rate under GAAP was 2.84%. Based on tax rates and laws currently in effect and other information currently available, had we converted to a corporation on January 1, 2018, and assuming that the partial step-up in asset basis as a result of the Conversion was accounted for in a period prior to January 1, 2018, we believe our estimated effective tax rate under GAAP for the same period would have been approximately 9.00%. The Conversion will cause a partial step-up in the tax basis of certain of our assets that will be recovered as those assets are sold. After those assets are sold, our effective tax rate is expected to increase. We present the estimated tax rate for illustrative purpose only, and our actual effective tax rate following the Conversion may vary materially from the rates presented above.

Following the Conversion, the declaration and payment of dividends to our common stockholders will be at the sole discretion of our board of directors, and our dividend policy may be changed at any time. As a corporation, we expect our dividends to our Class A common stockholders, if declared, to be lower than the distribution amounts we declared in prior periods as a limited partnership. Our distribution policy as a limited partnership has been to pay annual aggregate distributions to holders of our common units of $0.68 per common unit, and we have announced that we anticipate that our dividend policy beginning in the third quarter of 2018 will be to pay dividends to holders of our Class A common stock in an initial annual aggregate amount of $0.50 per share, in each case, subject to the discretion of our board of directors and compliance with applicable law. For U.S. federal income tax purposes, any dividends we pay following the Conversion (including dividends on our preferred shares) generally will be treated as qualified dividend income (generally taxable to U.S. individual stockholders at capital gain rates) paid by a domestic corporation to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Following the Conversion, no income, gains, losses, deductions or credits of KKR will flow through to the stockholders for U.S. federal income tax purposes.

We generally receive a tax benefit when KKR Holdings units are exchanged because our tax basis in our assets generally increases as a result of these exchanges. We are a party to a tax receivable agreement with KKR Holdings, which requires us to pay to KKR Holdings, and to current and former principals who have exchanged KKR Holdings units for our common units, 85% of the amount of cash savings in U.S. federal, state and local income tax that we actually realize as a result of an increase in tax basis arising from such exchanges.

We recorded $83.7 million in our condensed consolidated statements of financial condition as of March 31, 2018, representing the estimated aggregate future payment amount under the tax receivable agreement as of such date for previously exchanged KKR Holdings units. This amount would not have changed had the Conversion occurred as of March 31, 2018. See "Part I. Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity—Other Liquidity Needs—Contractual Obligations, Commitments and Contingencies."

Following the Conversion, we expect the amount of our cash tax savings from future exchanges to increase materially when compared to when we were a limited partnership. As a result, we expect the amount we will be required to pay under the tax receivable agreement (i.e., 85% of cash tax savings we realize) will become materially higher for future exchanges when we are a corporation when compared to when we were a limited partnership. As of March 31, 2018 (as adjusted to reflect 29.5

million KKR Holdings units to be exchanged for our common units in May 2018, which include approximately 20.0 million units to be exchanged by or on behalf of our executive officers for charitable donations but not sold into the market for at least a six month period following the date of the announcement of the decision to effectuate the Conversion as noted below), 304.1 million KKR Holdings units (the "Remaining KKR Holdings Units") remain available for exchange into our common units and, after the Conversion, into shares of Class A common stock. Assuming (i) all of the Remaining KKR Holdings Units had been exchanged for our common units on March 31, 2018, (ii) all such exchanges were taxable to the exchanging unitholders, (iii) the market value of our common units was $20.30 per unit (which was the closing price on March 29, 2018) and (iv) a 7% per annum discount rate, we estimate that the present value of our aggregate cash tax savings over the next 15 years attributable to such hypothetical exchange of the Remaining KKR Holdings Units would have been $198.4 million as a limited partnership compared to $759.5 million if the Conversion had already been completed as of such date. Using the assumptions above, we estimate our payments under the tax receivable agreement to KKR Holdings and current and former principals who exchange KKR Holdings units in the future to be 85% of the foregoing amounts, or $168.6 million as a limited partnership and $645.6 million if we already would have been a corporation. The estimates above also assume that we would have taxable income sufficient to fully utilize the deductions arising from the increase in tax basis and any interest imputed with respect to our payment obligations under the tax receivable agreement and that there would be no future change to the federal income tax rates and state, local and foreign income tax rates. The assumptions and estimates described above are for illustrative purposes only. These estimates are not intended to be a projection of any future financial results, and the actual increases in tax basis and any payments under the tax receivable agreement resulting from any exchanges of KKR Holdings units that occur in the future are expected to vary materially from these estimates. Moreover, the method for calculating the estimated aggregate future payment amount recorded in our financial statements differs in material respects from the assumptions used to calculate the present value of our aggregate cash tax savings over the next 15 years attributable to the hypothetical exchange of all Remaining KKR Holding Units. For example, no discount rate has been applied to the estimated aggregate future payment amount for previously exchanged KKR Holdings units.

Finally, the tax receivable agreement provides that we may terminate the agreement at any time by making an early termination payment based upon the net present value of all tax benefits that would be required to be paid by us to KKR Holdings and current and former principals who have exchanged KKR Holdings units. The method used to calculate the early termination payment is prescribed in the tax receivable agreement and the assumptions used for this purpose, including an applicable discount rate, which currently is LIBOR (as defined) plus 1% (LIBOR plus 1% was 2.88313% as of March 29, 2018), differ in material respects from the assumptions used to calculate the estimated present value of our aggregate cash tax savings for the hypothetical exchange of all Remaining KKR Holdings Units or the estimated payment amount for previously exchanged KKR Holdings units that is recorded in our financial statements. Accordingly, as of March 31, 2018, whether as a limited partnership or assuming the Conversion had been completed as of such date, the respective amounts of the applicable early termination payments would have been significantly larger than the present value of the estimated payments under the tax receivable agreement described above. At the time of the filing of this Quarterly Report on Form 10-Q, we have no intention to exercise the early termination right.

Although we believe that the Conversion will, among other things, simplify our tax reporting for stockholders, expand our stockholder base, and increase the liquidity of our Class A common stock, we may fail to realize all or some of the anticipated benefits of the Conversion, or those benefits may take longer to realize than we expected, which could contribute to a decline in the trading price of our common units or, after the Conversion, our Class A common stock. Moreover, there can be no assurance that the anticipated benefits of the Conversion will over time offset the cost of the Conversion.

Other than as set forth above, there were no material changes to the risk factors disclosed under the heading “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 23, 2018.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Common Unit Repurchases in the First Quarter of 2018

As announced on October 27, 2015 and amended on February 9, 2017, KKR was authorized to repurchase up to $750 million in the aggregate of its outstanding common units. On May 3, 2018, KKR announced an increase to the available amount under its repurchase program to $500 million. Prior to this increase, there was approximately $291 million remaining under the program.

Under the current repurchase program, KKR is authorized to repurchase its common units or, after the Conversion, Class A common stock from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing, manner, price and amount of any common unit or Class A common stock repurchases will be determined by KKR in its discretion and will depend on a variety of factors, including legal requirements, price and economic and market conditions. KKR expects that the program, which has no expiration date, will be in effect until the maximum approved dollar amount has been used to repurchase common units or Class A common stock. The program does not require KKR to repurchase any specific number of common units or Class A common stock, and the program may be suspended, extended, modified or discontinued at any time.

In addition to the purchases of common units and Class A common stock described above, the repurchase program will be used for the cancellation (by cash settlement or the payment of tax withholding amounts upon net settlement) of equity awards issued pursuant to our Equity Incentive Plan (and any successor equity plan thereto) representing the right to receive common units or Class A common stock. During 2018, KKR paid approximately $53 million in cash in lieu of issuing common units upon the vesting of equity awards representing 2.6 million common units to satisfy tax withholding and cash-settlement obligations. Since October 27, 2015, KKR has paid approximately $190 million in cash in lieu of issuing common units upon the vesting of equity awards representing 11.0 million common units to satisfy tax withholding and cash-settlement obligations.

The table below sets forth the information with respect to repurchases made by or on behalf of KKR & Co. L.P. or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) of our common units during the first quarter of 2018. No common units were repurchased during the first quarter of 2018 or from April 1, 2018 to May 7, 2018 . From inception of the repurchase program through May 7, 2018 , we had repurchased a total of approximately 31.7 million common units under the program at an average price of approximately $14.47 per unit.

Issuer Purchases of Common Units

(amounts in thousands, except unit and per unit amounts)

	Total Number of Units Purchased	Average Price Paid Per Units	Cumulative Number of Units Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Units that May Yet Be Purchased Under the Plans or Programs [1]
Month #1 (January 1, 2018 to January 31, 2018)	—	$ —	31,674,162	$ 291,225
Month #2 (February 1, 2018 to February 28, 2018)	—	$ —	31,674,162	$ 291,225
Month #3 (March 1, 2018 to March 31, 2018)	—	$ —	31,674,162	$ 291,225
Total through March 31, 2018	—			

[1] On May 3, 2018, KKR announced the increase to the available amount under the repurchase program to $500 million.

Unregistered Sale of Equity Securities

During the first quarter of 2018, 780,578 exchangeable securities issued in connection with the acquisition of Avoca were exchanged for an equal number of our common units. These issuances were exempt from registration in reliance on Section 4(a)(2) of the Securities Act.

Other Equity Securities

During the first quarter of 2018, 2,323,256 KKR Group Partnership Units were exchanged by KKR Holdings for an equal number of our common units. This resulted in an increase in our ownership of the KKR Group Partnerships and a corresponding decrease in the ownership of the KKR Group Partnerships by KKR Holdings. In May 2018, approximately 29.5 million KKR Group Partnership Units are expected to be exchanged by KKR Holdings into an equal number of our common units, which includes approximately 20.0 million KKR Group Partnership Units to be exchanged by or on behalf of KKR's executive officers for charitable donations but not sold into the market for at least a six month period following the date of the announcement of the decision to effectuate the Conversion as noted below.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

We are providing the following disclosure in lieu of filing a Current Report on Form 8-K relating to Items 1.01, 3.01, 3.03, 5.02 and 5.03.

Conversion to a Corporation

On May 3, 2018, we announced our decision to convert KKR & Co. L.P. from a Delaware limited partnership to a Delaware corporation named KKR & Co. Inc. (the "Corporation"), to become effective at 12:01 a.m. (Eastern Time) on July 1, 2018 (such date and time at which the Conversion becomes effective, the "Effective Time"). The Conversion was unanimously approved by our Managing Partner’s board of directors, following our receipt of special approval of the Conversion from the conflicts committee of the board pursuant to our limited partnership agreement. Under Section 14.3(d) of our limited partnership agreement, no vote of the unitholders is required or will be sought for the Conversion.

By converting to a corporation, we believe we can simplify our tax structure (including our tax reporting to our stockholders) and make it easier to invest in our shares. We believe, as a result, we can appeal to a wider universe of public investors, increase the liquidity of our common stock and reduce stock price volatility. We also believe that, as a corporation, we will enhance our access to capital markets and our common stock will be more attractive as a currency in future strategic transactions. There can be no assurance that we can realize all or some of the anticipated benefits in a timely manner or at all. See "Part II. Item 1A. Risk Factors."

The Conversion is expected to qualify for the non-recognition of gain or loss to our unitholders for U.S. federal income tax purposes. The application of the non-recognition rules to non-U.S. unitholders in the context of the Conversion is dependent on the laws applicable to them. All unitholders are urged to consult their own advisors as to the consequences of the Conversion to them. Following the Conversion, dividends will be reported to stockholders on Form 1099-DIV. The Schedule K-1s that we issued previously as a limited partnership will no longer be issued after March 2019, when final Schedule K-1s will be issued in respect of our final taxable period as a limited partnership ending June 30, 2018. We believe this change will simplify our stockholders’ tax reporting obligations.

Following the Conversion, all of our net income will be subject to U.S. federal (and state and local) corporate income taxes, which may reduce the amount of cash available for dividends or reinvestment in our business as well as reduce our reported after-tax earnings. See "Part II. Item 1A. Risk Factors— As a result of the Conversion, we expect to pay more corporate income taxes and also expect to make larger payments under our tax receivable agreement than we would as a limited partnership. We also expect the anticipated amount of annual dividends to our Class A common stockholders immediately

following the Conversion, if declared, to be lower than the distribution amounts we declared in prior annual periods as a limited partnership. In addition, we may fail to realize all or some of the anticipated benefits of the Conversion or those benefits may take longer to realize than expected, which could have a material and adverse impact on the trading price of our securities. "

In connection with the Conversion, the executive officers of our Managing Partner have agreed not to sell or make charitable transfers of equity securities of KKR & Co. L.P. or the Corporation for six months following the date of the announcement of the decision to effectuate the Conversion. The foregoing does not apply to approximately 20.0 million Common Units (as defined below) from May 2018 exchanges, which Common Units, or following the Conversion, shares of Class A Common Stock (as defined below), may only be donated for charitable purposes but during such six months period may not be sold into the market.

Furthermore, we announced the increase to the available amount under our repurchase program to $500 million, which may be used immediately for the repurchase of our Common Units or Class A Common Stock and the cancellation (by cash settlement or the payment of tax withholding amounts upon net settlement) of equity awards issued pursuant to our Equity Incentive Plan (and any successor equity plan thereto) representing the right to receive our Common Units or Class A Common Stock. We also announced that we anticipate that our dividend policy as a corporation beginning in the third quarter of 2018 will be to pay dividends to holders of our Class A Common Stock in an initial annual aggregate amount of $0.50 per share, subject to the discretion of our board of directors and compliance with applicable law.

Conversion Steps

On May 3, 2018, in order to implement the Conversion, our Managing Partner, in its capacity as our general partner, filed with the Secretary of State of the State of Delaware a Certificate of Conversion (the "Certificate of Conversion") and, in its capacity as sole incorporator of the Corporation, filed with the Secretary of State of the State of Delaware a Certificate of Incorporation (the "Certificate of Incorporation").

At the Effective Time, KKR & Co. L.P. will convert to the Corporation pursuant to a plan of conversion (the "Plan of Conversion") and the Certificate of Incorporation and Bylaws of the Corporation ("Bylaws") will become effective. The Plan of Conversion, Certificate of Conversion, Certificate of Incorporation and Bylaws are filed herewith as Exhibits 2.1, 3.1, 3.2 and 3.3, respectively, and incorporated herein by reference.

As a result of the Conversion, the business and affairs of the Corporation will be overseen by a board of directors of the Corporation, rather than the board of directors of our Managing Partner, which currently oversees our business and affairs, as our general partner. The directors and executive officers of our Managing Partner immediately prior to the Effective Time will become the directors and executive officers of the Corporation at the Effective Time. In addition, the committees of the board, and the membership thereof, immediately prior to the Effective Time, will be replicated at the Corporation at the Effective Time. Information regarding directors, executive officers and committee members is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 under the headings "Directors, Executive Officers and Corporate Governance," "Executive Compensation—Director Compensation" and "Certain Relationships and Related Transactions and Director Independence" filed herewith as Exhibit 99.1 and in our Form 8-K filed on March 2, 2018 and is incorporated herein by reference.

In addition, on May 3, 2018, the limited liability company agreement of our Managing Partner was amended and restated to make changes relating to the Conversion, including the removal of the board of directors at the Managing Partner, to be effective at the Effective Time (the "Amended and Restated LLC Agreement"). The limited liability company agreement of our Managing Partner currently in effect will remain operative until the effectiveness of the Conversion, unless otherwise amended. The Amended and Restated LLC Agreement is filed herewith as Exhibit 3.4 and incorporated herein by reference.

Reorganization and Amendments to Material Agreements

In connection with the Conversion and at the Effective Time, KKR & Co. L.P. will contribute all of its assets and liabilities to KKR Group Holdings Corp., a newly formed and wholly owned subsidiary of KKR & Co. L.P., and each of KKR Group Holdings L.P. and KKR Group Limited, two existing wholly owned subsidiaries of KKR & Co. L.P., will be liquidated, distributing all of their assets to and providing for the assumption of all of their liabilities by KKR Group Holdings Corp., which at such time will become a general partner of KKR Fund Holdings L.P. and KKR International Holdings L.P. and the sole stockholder of KKR Management Holdings Corp. (the general partner of KKR Management Holdings L.P.) and KKR Fund Holdings GP Limited (the other general partner of KKR Fund Holdings L.P. and KKR International Holdings L.P.).

In connection with the Conversion and the contribution and liquidations described in the prior paragraph (the "Reorganization" and, together with the Conversion, the "Transactions"), on May 3, 2018:

- the Tax Receivable Agreement, dated as of July 14, 2010, was amended (the "Tax Receivable Agreement Amendment");
- the Amended and Restated Exchange Agreement, dated as of November 2, 2010 and as amended, was amended and restated (the "Second Amended and Restated Exchange Agreement");
- the Second Amended and Restated Limited Partnership Agreement of KKR Management Holdings L.P., dated as of October 1, 2009 and as amended, was amended (the "Management Holdings LPA Amendment");
- the Second Amended and Restated Limited Partnership Agreement of KKR Fund Holdings L.P., dated as of October 1, 2009 and as amended, was amended (the "Fund Holdings LPA Amendment"); and
- the Amended and Restated Limited Partnership Agreement of KKR International Holdings L.P., dated as of August 5, 2014 and as amended, was amended (the "International Holdings LPA Amendment");

in each case, to make changes relating to the Transactions, as applicable, and to become effective at the Effective Time. The Tax Receivable Agreement Amendment provides for modifications relating to the new status of KKR & Co. Inc. as a corporation rather than as a limited partnership and also provides that, in the event the maximum U.S. federal corporate income tax rate is increased to a rate higher than 21.0% within the five-year period following effectiveness of the Conversion, for exchanges pursuant to the Second Amended and Restated Exchange Agreement that take place within that five-year period (other than exchanges following the death of an individual), payments of cash tax savings realized as a result of such exchanges shall be calculated by applying a corporate income tax rate not to exceed 21.0%. The Tax Receivable Agreement Amendment also clarifies that the tax benefit payments with respect to exchanges completed at any time prior to the Conversion will be calculated without taking into account the step-up in tax basis in our underlying assets that we expect to generate in 2018 as a result of the Conversion. Descriptions of the material provisions of the existing agreements were previously reported in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

In addition, our Managing Partner’s board of directors unanimously approved, following our receipt of special approval from the conflicts committee of the board of directors, a form of an indemnification agreement to be entered into with our Managing Partner and each member of the board (each such indemnification agreement, an "Indemnification Agreement"), which provides for substantially the same rights and obligations for indemnification that are available in our limited partnership agreement to our Managing Partner and in existing indemnification agreements to members of the board, respectively. On May 3, 2018, our Managing Partner executed its Indemnification Agreement, to be effective at the Effective Time. A description of the material provisions of the indemnification set forth in our limited partnership agreement and the existing indemnification agreements with each member of the board was previously reported in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

The foregoing descriptions are qualified in their entirety by reference to the full text of the Tax Receivable Agreement Amendment, Second Amended and Restated Exchange Agreement, Management Holdings LPA Amendment, Fund Holdings LPA Amendment, International Holdings LPA Amendment, the Indemnification Agreement executed by our Managing Partner and the form of the Indemnification Agreement filed herewith as Exhibits 10.1 through 10.7, respectively, and incorporated herein by reference.

Capital Stock of the Corporation

At the Effective Time, pursuant to the Plan of Conversion and without any action required on the part of KKR & Co. L.P., the Corporation, our Managing Partner, or the former holders of the applicable units, (i) each KKR & Co. L.P. common unit ("Common Unit") outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class A common stock, $0.01 par value per share, of the Corporation ("Class A Common Stock"), (ii) each managing partner unit of KKR & Co. L.P. outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class B common stock, $0.01 par value per share, of the Corporation ("Class B Common Stock"), (iii) each special voting unit ("Special Voting Unit") of KKR & Co. L.P. outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class C common stock, $0.01 par value per share, of the Corporation ("Class C Common Stock"), (iv) each Series A Preferred Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of preferred stock, $0.01 par value per share, of the Corporation, designated as

"Series A Preferred Stock" ("Series A Preferred Stock"), and (v) each Series B Preferred Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of preferred stock, $0.01 par value per share, of the Corporation, designated as "Series B Preferred Stock" ("Series B Preferred Stock"). Forms of the 6.75% Series A Preferred Stock Certificate and the 6.50% Series B Preferred Stock Certificate are filed herewith as Exhibits 4.1 and 4.2, respectively, and incorporated herein by reference.

As a result of the Conversion, holders of Common Units will become holders of Class A Common Stock, which will continue to be listed on the NYSE under the symbol "KKR"; holders of Series A Preferred Units will become holders of Series A Preferred Stock, which will continue to be listed on the NYSE under the symbol "KKR PRA"; and holders of Series B Preferred Units will become holders of Series B Preferred Stock, which will continue to be listed on the NYSE under the symbol "KKR PRB", in each case, at the opening of trading immediately following the Effective Time. Our Managing Partner, an entity controlled by senior executives of KKR and the current general partner of KKR & Co. L.P., will become the sole holder of the Class B Common Stock. KKR Holdings, a separate entity controlled by senior executives of KKR and the current holder of the Special Voting Units, will become the sole holder of the Class C Common Stock.

On May 3, 2018, we notified the NYSE that the Certificate of Conversion had been filed with the Secretary of State of the State of Delaware. Prior to the Effective Time, we will request that, as of the open of business on Monday, July 2, 2018, the NYSE cease trading of the Common Units, Series A Preferred Units and Series B Preferred Units on the NYSE and commence trading of the Class A Common Stock, Series A Preferred Stock and Series B Preferred Stock on the NYSE under the existing ticker symbols "KKR", "KKR PRA" and "KKR PRB", respectively. No further action by the current holders of Common Units, Series A Preferred Units, or Series B Preferred Units is currently anticipated. It is expected that new CUSIP numbers will be issued for each of the Class A Common Stock, Series A Preferred Stock and Series B Preferred Stock.

The Certificate of Incorporation and Bylaws provide our stockholders following the Conversion with substantially the same rights and obligations that unitholders have in our limited partnership agreement. Therefore, the Class A Common Stock is generally non-voting like the existing Common Units, except as provided in the Certificate of Incorporation and Bylaws and under the Delaware General Corporation Law (the "DGCL") and the rules of the NYSE (as they were generally applicable to KKR & Co. L.P. prior to the Conversion). Also, Class C Common Stock, Series A Preferred Stock and Series B Preferred Stock are generally non-voting like the existing Special Voting Units, Series A Preferred Units and Series B Preferred Units, respectively, except, in each case, as provided in the Certificate of Incorporation and Bylaws and under the DGCL and the rules of the NYSE. The Class B Common Stock that will be held by the entity that has served as our Managing Partner is the only class of the Corporation's common stock entitled to vote at a meeting of stockholders (or to take similar action by written consent) in the election of directors and generally with respect to all other matters submitted to a vote of stockholders, except as provided in the Certificate of Incorporation and Bylaws and under the DGCL and the rules of the NYSE. As a result, the Corporation will be a "controlled company" within the meaning of the corporate governance standards of the NYSE and, like KKR & Co. L.P., will qualify for exceptions from certain corporate governance rules of the NYSE.

ITEM 6. EXHIBITS.

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

Exhibit No.	Description of Exhibit
2.1	Plan of Conversion.
3.1	Certificate of Conversion of KKR & Co. L.P.
3.2	Certificate of Incorporation of KKR & Co. Inc.
3.3	Bylaws of KKR & Co. Inc.
3.4	Amended and Restated Limited Liability Company Agreement of KKR Management LLC, dated as of May 3, 2018.
4.1	Form of 6.75% Series A Preferred Stock Certificate (included in Exhibit 2.1).
4.2	Form of 6.50% Series B Preferred Stock Certificate (included in Exhibit 2.1).
10.1	Amendment to Tax Receivable Agreement, dated as of May 3, 2018, among KKR Holdings L.P., KKR Management Holdings Corp., KKR & Co. L.P., KKR Management Holdings L.P. and KKR Group Holdings Corp.

Exhibit No.	Description of Exhibit
10.2	Second Amended and Restated Exchange Agreement, dated as of May 3, 2018, among KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR International Holdings L.P., KKR Holdings L.P., KKR & Co. L.P., KKR Group Holdings L.P., KKR Subsidiary Partnership L.P., KKR Group Limited and KKR Group Holdings Corp.
10.3	Amendment No. 3 to the Second Amended and Restated Limited Partnership Agreement of KKR Management Holdings L.P. dated as of May 3, 2018.
10.4	Amendment to Second Amended and Restated Limited Partnership Agreement of KKR Fund Holdings L.P. dated as of May 3, 2018.
10.5	Amendment to Amended and Restated Limited Partnership Agreement of KKR International Holdings L.P. dated as of May 3, 2018.
10.6	Indemnification Agreement, dated as of May 3, 2018, between KKR & Co. L.P. and KKR Management LLC.
10.7	Form of Indemnification Agreement for Directors of KKR & Co. Inc.
31.1	Certification of Co-Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes- Oxley Act of 2002.
31.2	Certification of Co-Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Part II, Item 10 "Directors, Executive Officers and Corporate Governance," Item 11 "Executive Compensation—Director Compensation" and Item 13 "Certain Relationships and Related Transactions, and Director Independence" of KKR & Co. L.P.'s Annual Report on Form 10-K for the year ended December 31, 2017 (incorporated herein by reference to KKR & Co. L.P.'s Annual Report on Form 10-K for the year ended December 31, 2017 filed on February 23, 2018).
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Statements of Financial Condition as of March 31, 2018 and December 31, 2017, (ii) the Condensed Consolidated Statements of Operations for the three months ended March 31, 2018 and March 31, 2017, (iii) the Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2018 and March 31, 2017; (iv) the Condensed Consolidated Statements of Changes in Equity for the three months ended March 31, 2018 and March 31, 2017, (v) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2018 and March 31, 2017, and (vi) the Notes to the Condensed Consolidated Financial Statements.

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

SIGNATURES

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

KKR & CO. L.P.

By: KKR Management LLC
Its General Partner

By: /s/ William J. Janetschek
William J. Janetschek
Chief Financial Officer
(principal financial and accounting officer of KKR Management LLC and authorized signatory)

DATE: May 8, 2018

Exhibit 2.1

PLAN OF CONVERSION

This PLAN OF CONVERSION (" Plan of Conversion ") sets forth certain terms of the conversion of KKR & Co. L.P., a Delaware limited partnership (the " Partnership "), to a Delaware corporation to be named "KKR & Co. Inc." (the " Corporation "), pursuant to the provisions of the Delaware Revised Uniform Limited Partnership Act (the " Partnership Act ") and the General Corporation Law of the State of Delaware (the " DGCL ").

W I T N E S S E T H

WHEREAS , the Partnership was formed as a limited partnership in accordance with the Partnership Act and is currently governed by the Third Amended and Restated Limited Partnership Agreement of the Partnership, dated as of June 20, 2016 (the " Partnership Agreement ");

WHEREAS , upon the terms and subject to the conditions of this Plan of Conversion and in accordance with the Partnership Act and the DGCL, the Partnership will be converted to a Delaware corporation pursuant to and in accordance with Section 17-219 of the Partnership Act and Section 265 of the DGCL (the " Conversion ");

WHEREAS , in connection with the Conversion, all of the outstanding partnership interests in the Partnership will be converted into the right to receive shares of common stock or preferred stock of the Corporation, as applicable, as provided in this Plan of Conversion; and

WHEREAS , capitalized terms used and not otherwise defined in this Plan of Conversion shall have the meanings given to them in the Partnership Agreement.

NOW, THEREFORE , upon the terms and subject to the conditions of this Plan of Conversion and in accordance with the Partnership Act and the DGCL, upon the filing and effectiveness of the Certificate of Conversion and the Certificate of Incorporation (each as defined below), the Partnership shall be converted to the Corporation.

ARTICLE I

THE CONVERSION

SECTION 1.01 The Conversion . At the Effective Time (as defined below), the Partnership shall be converted to the Corporation and, for all purposes of the laws of the State of Delaware and otherwise, the Conversion shall be deemed a continuation of the existence of the Partnership in the form of a Delaware corporation. The Conversion shall not require the Partnership to wind up its affairs under Section 17-803 of the Partnership Act or to pay its liabilities and distribute its assets under Section 17-804 of the Partnership Act, and the Conversion shall not constitute a dissolution of the Partnership. At the Effective Time, for all purposes of the laws of the State of Delaware and otherwise, all of the rights, privileges and powers of the Partnership, and all property, real, personal and mixed, and all debts due to the Partnership, as well as all other things and causes of action belonging to the Partnership, shall remain vested in the Corporation and shall be the property of the Corporation, and the title to any real property vested by deed or otherwise in the Partnership shall not revert or be in any way impaired by reason of any provision of the Partnership Act, the DGCL or otherwise; but all rights of creditors and all liens upon any property of the Partnership shall be preserved unimpaired, and all debts, liabilities and duties of the Partnership shall remain attached to the Corporation, and may be enforced against it to the same extent as if said debts, liabilities and duties had originally been incurred or contracted by it in its capacity as a corporation. The rights, privileges, powers and interests in property of the Partnership, as well as the debts, liabilities and duties of the Partnership, shall not be deemed, as a consequence of the Conversion, to have been transferred to the Corporation for any purpose of the laws of the State of Delaware or otherwise.

SECTION 1.02 Effective Time . On May 3, 2018, the Managing Partner shall file the Certificate of Conversion in the form attached hereto as Exhibit A (the " Certificate of Conversion ") and the Certificate of Incorporation of the Corporation in the form attached hereto as Exhibit B (the " Certificate of Incorporation ") with the Secretary of State of the State of Delaware pursuant to Section 265 of the DGCL. The Conversion shall become effective at 12:01 a.m. (Eastern Time) on July 1, 2018 (such time of effectiveness, the " Effective Time ").

SECTION 1.03 Certificate of Incorporation and Bylaws of the Corporation . At and after the Effective Time, the Certificate of Incorporation and Bylaws of the Corporation (the " Bylaws ") shall be in the forms attached hereto as Exhibit B and Exhibit C , respectively, until amended in accordance with their terms and the DGCL.

SECTION 1.04 Directors and Officers .

(a) At the Effective Time, the initial directors of the Corporation shall be Henry R. Kravis, George R. Roberts, Joseph Y. Bae, Scott C. Nuttall, David C. Drummond, Joseph A. Grundfest, John B. Hess, Xavier B. Niel, Patricia F. Russo, Thomas M. Schoewe and Robert W. Scully, each of whom shall be named to the initial board of directors of the Corporation. Each of Messrs. Kravis and Roberts shall be a Co-Chairman of the board of directors of the Corporation. Each director, including each director appointed to fill a vacancy or newly created directorship, shall hold office until the next annual meeting of stockholders for the election of directors or action by written consent of stockholders in lieu of an annual meeting for the purpose of electing directors and until such director's successor is elected and qualified or until such director's earlier death, resignation, retirement, disqualification or removal.

(b) At the Effective Time, unless the board of directors of the Corporation provides otherwise, each of the following individuals shall be appointed to the office(s) set forth opposite his or her name:

Name	Office
Henry R. Kravis	Co-Chief Executive Officer
George R. Roberts	Co-Chief Executive Officer
Joseph Y. Bae	Co-President, Co-Chief Operating Officer
Scott C. Nuttall	Co-President, Co-Chief Operating Officer
William J. Janetschek	Chief Financial Officer
David J. Sorkin	General Counsel and Secretary
Christopher B. Lee	Assistant Secretary

Each officer so elected shall hold such office until such officer's successor is elected and qualified, or until such officer's earlier death, resignation, retirement, disqualification or removal.

ARTICLE II

CONVERSION OF PARTNERSHIP INTERESTS; REGISTRATION OF SHARES; GLOBAL STOCK CERTIFICATES

SECTION 2.01 Conversion of Partnership Interests . At the Effective Time, each (i) Common Unit outstanding immediately prior to the Effective Time shall be converted into one issued and outstanding, fully paid and nonassessable share of Class A common stock, $0.01 par value per share, of the Corporation (" Class A Common Stock "), (ii) Managing Partner Unit outstanding immediately prior to the Effective Time shall be converted into one issued and outstanding, fully paid and nonassessable share of Class B common stock, $0.01 par value per share, of the Corporation (" Class B Common Stock "), (iii) Special Voting Unit outstanding immediately prior to the Effective Time shall be converted into one issued and outstanding, fully paid and nonassessable share of Class C common stock, $0.01 par value per share, of the Corporation (" Class C Common Stock " and, together with the Class A Common Stock and the Class B Common Stock, " Common Stock "), (iv) Series A Preferred Unit outstanding immediately prior to the Effective Time shall be converted into one issued and outstanding, fully paid and nonassessable share of preferred stock, $0.01 par value per share, of the Corporation (" Preferred Stock "), designated as "Series A Preferred Stock" (" Series A Preferred Stock ") and (v) Series B Preferred Unit outstanding immediately prior to the Effective Time shall be converted into one issued and outstanding, fully paid and nonassessable share of preferred stock, $0.01 par value per share, of the Corporation, designated as "Series B Preferred Stock" (" Series B Preferred Stock "), in each case without any action required on the part of the Partnership, the Corporation or the former holder of such Limited Partner Interest or Managing Partner Interest, as applicable.

SECTION 2.02 Registration in Book-Entry . Shares of Class A Common Stock, Class B Common Stock and Class C Common Stock shall not be represented by certificates but shall instead be uncertificated shares, unless the board of directors of the Corporation shall provide by resolution or resolutions otherwise. Promptly after the Effective Time, the Corporation shall register, or cause to be registered, in book-entry form the shares of Class A Common Stock, Class B Common Stock and Class C Common Stock into which the outstanding Partnership Interests represented by Common Units, Managing Partner Units and Special Voting Units, as applicable, shall have been converted as a result of the Conversion.

SECTION 2.03 Global Stock Certificates . Shares of Series A Preferred Stock and Series B Preferred Stock shall be represented by a global certificate in the form attached hereto as Exhibit D-1 and Exhibit D-2 , as applicable. Promptly after the Effective Time, the Corporation shall cause the proper officers of the Corporation to execute and deliver global certificates registered in the name of Cede & Co. in respect of the shares of Series A Preferred Stock and Series B Preferred Stock to the Transfer Agent.

SECTION 2.04 No Further Rights in Units . The shares of Class A Common Stock, Class B Common Stock, Class C Common Stock, Series A Preferred Stock and Series B Preferred Stock into which the outstanding Partnership Interests represented by Common Units, Managing Partner Units, Special Voting Units, Series A Preferred Units and Series B Preferred Units, as applicable, shall have been converted as a result of the Conversion in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such Partnership Interests.

EXHIBIT A

Certificate of Conversion

CERTIFICATE OF CONVERSION
PURSUANT TO SECTION 265 OF
THE DELAWARE GENERAL CORPORATION LAW

This Certificate of Conversion is being duly executed and filed by KKR & Co. L.P., a Delaware limited partnership (the " Limited Partnership "), to convert the Limited Partnership to KKR & Co. Inc., a Delaware corporation (the " Corporation "), under the Delaware Revised Uniform Limited Partnership Act (6 *Del. C.* § 17-101, et seq.) and the Delaware General Corporation Law (8 *Del. C.* § 101, et seq.).

1. The Limited Partnership was first formed on June 25, 2007 as a Delaware limited partnership.

2. The name and type of entity of the Limited Partnership immediately prior to filing this Certificate of Conversion is KKR & Co. L.P., a Delaware limited partnership.

3. The name of the Corporation as set forth in the Certificate of Incorporation filed in accordance with Section 265(b) of the Delaware General Corporation Law is KKR & Co. Inc.

4. The conversion of the Limited Partnership to the Corporation shall be effective at 12:01 a.m. (Eastern Time) on July 1, 2018.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Conversion on the 3rd day of May, 2018.

KKR & CO. L.P.

By: KKR Management LLC, its general partner

By: _____
Name: David J. Sorkin
Title: Secretary

[Signature Page to Certificate of Conversion]

EXHIBIT B

Certificate of Incorporation

CERTIFICATE OF INCORPORATION

OF

KKR & CO. INC.

ARTICLE I

NAME

The name of the Corporation is KKR & Co. Inc. (the " Corporation ").

ARTICLE II

REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of the registered agent at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL. The Corporation is being incorporated in connection with the conversion of KKR & Co. L.P., a Delaware limited partnership (the " Partnership "), to the Corporation (the " Conversion "), and this Certificate of Incorporation is being filed simultaneously with the Certificate of Conversion of the Partnership to the Corporation.

ARTICLE IV

AUTHORIZED STOCK

Section 4.01 Capitalization .

(a) The total number of shares of all classes of stock that the Corporation shall have authority to issue is 5,000,000,000 which shall be divided into four classes as follows:

(i) 3,500,000,000 shares of Class A common stock, $0.01 par value per share (" Class A Common Stock ");

(ii) one share of Class B common stock, $0.01 par value per share (" Class B Common Stock ");

(iii) 499,999,999 shares of Class C common stock, $0.01 par value per share (" Class C Common Stock " and, together with the Class A Common Stock and the Class B Common Stock, " Common Stock "); and

(iv) 1,000,000,000 shares of preferred stock, $0.01 par value per share (" Preferred Stock "), of which (x) 13,800,000 shares are designated as "Series A Preferred Stock" (" Series A Preferred Stock "), (y) 6,200,000 shares are designated as "Series B Preferred Stock" (" Series B Preferred Stock ") and (z) the remaining 980,000,000 shares may be designated from time to time in accordance with this Article IV .

(b) At the Effective Time, each (i) Common Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class A Common Stock, (ii) Managing Partner Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class B Common Stock, (iii) Special Voting Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class C Common Stock, (iv) Series A Preferred Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Series A Preferred Stock and (v) Series B Preferred Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Series B Preferred Stock, in each case without any action required on the part of the Corporation or the former holder of such Limited Partner Interest or Managing Partner Interest, as applicable.

(c) The number of authorized shares of Class A Common Stock, Class B Common Stock, Class C Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) solely with the approval of the Class B Stockholder and, in the case of any increase in the number of authorized shares of Class B Common Stock, holders of a majority of the voting power of the Outstanding Designated Stock, in each case, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no other vote of the holders of the Class A Common Stock, the Class C Common Stock or any series of Preferred Stock, voting together or separately as a class, shall be required therefor, unless a vote of the holders of any such class, classes or series is expressly required pursuant to this Certificate of Incorporation.

Section 4.02 Preferred Stock . The Board of Directors of the Corporation (the " Board of Directors ") is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix, without further stockholder approval (except as may be required by Articles XXI and XXII or any certificate of designation relating to any series of Preferred Stock), the designation of such series, the powers (including voting powers), preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, of such series of Preferred Stock and the number of shares of such series, which number the Board of Directors may, except where otherwise provided in the designation of such series, increase (but not above the total number of shares of Preferred Stock then authorized and available for issuance and not committed for other issuance) or decrease (but not below the number of shares of such series then outstanding). The powers, preferences and relative, participating, optional and other special rights of, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock, if any, may differ from those of any and all other series at any time Outstanding.

Section 4.03 Splits and Combinations of Stock .

(a) Subject to Section 4.03(c) , Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock, the Corporation may make a pro rata distribution of shares of stock of the Corporation to all Record Holders or may effect a subdivision or combination of stock of the Corporation so long as, after any such event, each stockholder shall have the same percentage of each class or series of shares of stock of the Corporation as before such event, and any amounts calculated on a per share basis or stated as a number of shares of stock are proportionately adjusted.

(b) Whenever such a distribution, subdivision or combination of shares of stock of the Corporation or options, rights, warrants or appreciation rights relating to stock of the Corporation is declared, the Board of Directors shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall provide notice thereof at least 20 days prior to such Record Date to stockholders of the Corporation not less than 10 days prior to the date of such notice.

(c) The Corporation shall not be required to issue fractional shares upon any distribution, subdivision or combination of shares of stock of the Corporation. If the Board of Directors determines that no fractional shares shall be issued in connection with any such distribution, subdivision or combination, the fractional shares resulting therefrom shall be treated in accordance with Section 155 of the DGCL.

ARTICLE V

TERMS OF COMMON STOCK

Section 5.01 General . Except as otherwise required by law or as expressly provided in this Certificate of Incorporation, each share of Common Stock shall have the same powers, privileges and rights and shall rank equally, share ratably and be identical in all respects as to all matters, with each other share of Common Stock.

Section 5.02 Voting .

(a) Except as required by the DGCL or as expressly provided in this Certificate of Incorporation or the Bylaws, the exclusive voting power for all purposes relating to holders of Common Stock shall be vested in the Class B Stockholder. The Class B Stockholder shall have one vote for each share of Class B Common Stock that is Outstanding in its name on the books of the Corporation on all matters on which the Class B Stockholder is entitled to vote.

(b) Each holder of Class A Common Stock, as such, shall not have any voting rights or powers, either general or special, except as required by the DGCL or as expressly provided in this Section 5.02 , Section 6.06 or in Articles VII , VIII and XI . Each Record Holder of Class A Common Stock shall have one vote for each share of Class A Common Stock that is Outstanding in his, her or its name on the books of the Corporation on all matters on which holders of Class A Common Stock are entitled to vote.

(c) Each holder of Class C Common Stock, as such, shall not have any voting rights or powers, either general or special, except as required by the DGCL or as expressly provided in this Section 5.02 , Section 6.06 or in Articles VII , VIII and XI . Notwithstanding any other provision of this Certificate of Incorporation, the Bylaws, the DGCL or any applicable law, rule or regulation, except as otherwise required by applicable law, the holders of Class C Common Stock shall be entitled to receive notice of, be included in any requisite quorum for and participate in any and all approvals, votes or other actions of the stockholders of the Corporation on an equivalent basis as, and treating such Persons for all purposes as if they are, holders of Class A Common Stock, including any and all notices, quorums, approvals, votes and other actions that may be taken pursuant to the requirements of the Certificate of Incorporation, the Bylaws, the DGCL or any other applicable law, rule or regulation.

Except as otherwise required by applicable law, the holders of Class C Common Stock shall vote together with the holders of Class A Common Stock as a single class and, to the extent that the holders of Class A Common Stock shall vote together with the holders of any other class, classes or series of stock of the Corporation, the holders of Class C Common Stock shall also vote together with the holders of such other class, classes or series of stock on an equivalent basis as the holders of the Class A Common Stock. On each matter submitted to a vote of the holders of the Class C Common Stock, each holder of shares of Class C Common Stock entitled to vote thereon shall be entitled, as such, to a number of votes that are equal to the aggregate number of Group Partnership Units held of record by such holder as of the relevant Record Date. The number of votes to which each such holder of Class C Common Stock shall be entitled shall be adjusted accordingly if (i) a stockholder of the Corporation holding Class A Common Stock, as such, shall become entitled to a number of votes other than one for each share of Class A Common Stock held and/or (ii) under the terms of the Exchange Agreement the holders of Group Partnership Units party thereto shall become entitled to exchange each such Group Partnership Unit for a number of shares of Class A Common Stock other than one. Notwithstanding anything to the contrary contained in this Certificate of Incorporation, and in addition to any other vote required by the DGCL or this Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of the Class C Common Stock, voting separately as a class, shall be required to alter, amend or repeal this Section 5.02(c) or to adopt any provision inconsistent therewith.

Section 5.03 Dividends . Subject to applicable law and the rights, if any, of the holders of any Outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends, dividends may be declared and paid ratably on the Class A Common Stock out of the assets of the Corporation that are legally available for this purpose at such times and in such amounts as the Board of Directors in its discretion shall determine. Dividends shall not be declared or paid on the Class B Common Stock or the Class C Common Stock.

Section 5.04 Liquidation . Upon a Dissolution Event, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any Outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Class A Common Stock with respect to the distribution of assets of the Corporation upon such Dissolution Event, the holders of Class A Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them. The Class B Stockholder and the holders of Class C Common Stock shall not be entitled to receive any assets of the Corporation in the event of any dissolution, liquidation or winding up of the Corporation.

Section 5.05 Shares Reserved for Issuance . The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares of Class A Common Stock that shall from time to time be sufficient to effect the exchange of Group Partnership Units (along with Class C Common Stock) pursuant to the Exchange Agreement; provided , that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of the exchange of the Group Partnership Units by delivery of purchased shares of Class A Common Stock that are held in the treasury of the Corporation.

Section 5.06 Cancellations of Class C Common Stock . Immediately upon the exchange of a Group Partnership Unit (together with a share of Class C Common Stock) for Class A Common Stock pursuant to the terms of the Exchange Agreement, such share of Class C Common Stock held by such exchanging holder of Group Partnership Units shall automatically be canceled and retired with no consideration being paid or issued with respect thereto without any further action of any Person. Any such shares of Class C Common Stock so cancelled and retired shall no longer be outstanding and all rights with respect to such shares shall automatically cease and terminate.

ARTICLE VI

CERTIFICATES; RECORD HOLDERS; TRANSFER OF STOCK OF THE CORPORATION

Section 6.01 Certificates . Notwithstanding anything otherwise to the contrary herein, unless the Board of Directors shall provide by resolution or resolutions otherwise in respect of some or all of any or all classes or series of stock of the Corporation, the stock of the Corporation shall not be evidenced by Certificates. Certificates that may be issued shall be executed on behalf of the Corporation by any two duly authorized officers of the Corporation.

No Certificate evidencing shares of Common Stock or Preferred Stock shall be valid for any purpose until it has been countersigned by the Transfer Agent; provided , however , that if the Board of Directors resolves to issue Certificates evidencing shares of Class A Common Stock or Preferred Stock in global form, the Certificates evidencing such shares of Class A Common Stock or Preferred Stock shall be valid upon receipt of a Certificate from the Transfer Agent certifying that the Certificates evidencing such shares of Class A Common Stock or Preferred Stock have been duly registered in accordance with the directions of the Corporation. The use of facsimile signatures affixed in the name and on behalf of the Transfer Agent on Certificates, if any, representing shares of stock of the Corporation is expressly permitted by this Certificate of Incorporation.

Section 6.02 Mutilated, Destroyed, Lost or Stolen Certificates .

(a) If any mutilated Certificate evidencing shares of stock of the Corporation is surrendered to the Transfer Agent, two authorized officers of the Corporation shall execute, and, if applicable, the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number and class of stock as the Certificate so surrendered.

(b) Any two authorized officers of the Corporation shall execute and deliver, and, if applicable, the Transfer Agent shall countersign a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate:

(i) makes proof by affidavit, in form and substance satisfactory to the Corporation, that a previously issued Certificate has been lost, destroyed or stolen;

(ii) requests the issuance of a new Certificate before the Corporation has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(iii) if requested by the Corporation, delivers to the Corporation a bond, in form and substance satisfactory to the Corporation, with surety or sureties and with fixed or open penalty as the Corporation may direct to indemnify the Corporation, the stockholders and, if applicable, the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(iv) satisfies any other reasonable requirements imposed by the Corporation.

(c) As a condition to the issuance of any new Certificate under this Section 6.02 , the Corporation may require the payment of a sum sufficient to cover any tax or other charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent, if applicable) reasonably connected therewith.

Section 6.03 Record Holders . The Corporation shall be entitled to recognize the Record Holder as the owner with respect to any share of stock of the Corporation and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other Person, regardless of whether the Corporation shall have actual or other notice thereof, except as otherwise required by law or applicable rule, regulation, guideline or requirement of any National Securities Exchange on which such shares are listed for trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring or holding shares of stock of the Corporation, as between the Corporation, on the one hand, and such other Persons, on the other, such representative Person shall be the Record Holder of such shares.

Section 6.04 Transfer Generally .

(a) The term "transfer," when used in this Certificate of Incorporation with respect to shares of stock of the Corporation, shall include (i) with respect to any share of Class B Common Stock held by the Class B Stockholder, a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise, and (ii) with respect to shares of any other stock of the Corporation, a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

(b) No shares of stock of the Corporation shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article VI. Any transfer or purported transfer of any shares of stock of the Corporation not made in accordance with this Article VI shall be null and void.

(c) Nothing contained in this Certificate of Incorporation shall be construed to prevent a disposition or any other type of transfer of the kind enumerated in Section 6.04(a) by any member of the Class B Stockholder of any or all of the issued and outstanding equity or other interests in the Class B Stockholder.

Section 6.05 Registration and Transfer of Stock.

(a) The Corporation shall keep or cause to be kept on behalf of the Corporation a stock ledger in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 6.05(b), the Corporation will provide for the registration and transfer of stock of the Corporation. The Transfer Agent is hereby appointed registrar and transfer agent for the purpose of registering Class A Common Stock and Preferred Stock and transfers of such stock as herein provided. The Corporation shall not recognize transfers of Certificates evidencing shares of stock of the Corporation unless such transfers are effected in the manner described in this Section 6.05. Upon surrender of a Certificate for registration of transfer of any shares of stock of the Corporation evidenced by a Certificate, and subject to the provisions of Section 6.05(b), any two authorized officers of the Corporation shall execute and deliver, and in the case of Class A Common Stock and Preferred Stock, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Certificates evidencing the same aggregate number and type of stock of the Corporation as was evidenced by the Certificate so surrendered.

(b) The Corporation shall not recognize any transfer of shares of stock of the Corporation evidenced by Certificates until the Certificates evidencing such shares of stock are surrendered for registration of transfer. No charge shall be imposed by the Corporation for such transfer; provided that as a condition to the issuance of any new Certificate under this Section 6.05, the Corporation may require the payment of a sum sufficient to cover any tax or other charge that may be imposed with respect thereto.

(c) Subject to (i) the foregoing provisions of this Section 6.05, (ii) Section 6.04, (iii) Section 6.06, (iv) Section 6.07, (v) with respect to any series of stock of the Corporation, the provisions of any certificate of designations or amendment to this Certificate of Incorporation establishing such series, and Articles XXI and XXII, (vi) any contractual provisions binding on any holder of shares of stock of the Corporation, and (vii) provisions of applicable law including the Securities Act, the stock of the Corporation shall be freely transferable. Stock of the Corporation issued pursuant to any employee-related policies or equity benefit plans, programs or practices adopted by the Corporation may be subject to any transfer restrictions contained therein.

Section 6.06 Transfer of Class B Common Stock .

(a) Subject to Section 6.06(c) below, prior to December 31, 2018, the Class B Stockholder shall not be entitled to and shall not transfer all or part of the shares of Class B Common Stock held by it to a Person unless such transfer (i) has been approved by the prior written consent or vote of stockholders of the Corporation holding at least a majority of the voting power of the Outstanding Designated Stock (excluding Designated Stock held by the Class B Stockholder or its Affiliates) or (ii) is of all, but not less than all, of the shares of Class B Common Stock held by it to (A) an Affiliate of the Class B Stockholder (other than an individual) or (B) another Person (other than an individual) in connection with the merger or consolidation of the Class B Stockholder with or into another Person (other than an individual) or the transfer by the Class B Stockholder of all, but not less than all, of the shares of Class B Common Stock held by it to another Person (other than an individual).

(b) Subject to Section 6.06(c) below, on or after December 31, 2018, the Class B Stockholder may transfer all or part of the shares of Class B Common Stock held by it without the approval of any other stockholder of the Corporation.

(c) Notwithstanding anything herein to the contrary but subject to Section 6.04(c) , no transfer by the Class B Stockholder of all or part of the shares of Class B Common Stock held by it to another Person shall be permitted unless (i) the written approval of the Board of Directors and a Majority in Interest of the Class B Stockholder is obtained prior to such transfer, (ii) the transferee agrees to assume the rights and duties of the Class B Stockholder under this Certificate of Incorporation and to be bound by the provisions of this Certificate of Incorporation and (iii) the Corporation receives an Opinion of Counsel that such transfer would not result in the loss of limited liability of any stockholder of the Corporation. Any purported transfer of shares of Class B Common Stock not made in accordance with this Article VI shall be null and void and any shares of Class B Common Stock purportedly transferred in violation of this Section 6.06(c) shall be automatically redeemed by the Corporation without consideration and, notwithstanding anything herein to the contrary, shall become treasury shares and may only be disposed of by the Corporation with the approval of a Majority in Interest of the Class B Stockholder.

Section 6.07 Additional Restrictions on Transfers .

(a) Except as provided in Section 6.07(b) below, but notwithstanding the other provisions of this Article VI , no transfer of any shares of stock of the Corporation shall be made if such transfer would (i) violate the then applicable U.S. federal or state securities laws or rules and regulations of the Commission, any U.S. state securities commission or any other governmental authority with jurisdiction over such transfer or (ii) terminate the existence or qualification of the Corporation under the laws of the jurisdiction of its incorporation.

(b) Nothing contained in this Article VI, or elsewhere in this Certificate of Incorporation, shall preclude the settlement of any transactions involving shares of stock of the Corporation entered into through the facilities of any National Securities Exchange on which such shares of stock are listed for trading.

ARTICLE VII

SALE, EXCHANGE OR OTHER DISPOSITION OF THE CORPORATION'S ASSETS

Except as provided in Section 5.04 and Article VIII, the Corporation may not sell, exchange or otherwise dispose of all or substantially all of the Corporate Group's assets, taken as a whole, in a single transaction or a series of related transactions, without the approval of the Class B Stockholder and the holders of a majority of the voting power of Outstanding Designated Stock; provided, however, that this Article VII shall not preclude or limit the Corporation's ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of the Corporate Group (including for the benefit of Persons other than the members of the Corporate Group, including Affiliates of the Class B Stockholder) and shall not apply to any forced sale of any or all of the assets of the Corporate Group pursuant to the foreclosure of, or other realization upon, any such encumbrance.

ARTICLE VIII

MERGER

Section 8.01 Authority. The Corporation may merge or consolidate or otherwise combine with or into one or more corporations, limited liability companies, statutory trusts or associations, real estate investment trusts, common law trusts, unincorporated businesses or other Person permitted by the DGCL, including a partnership (whether general or limited (including a limited liability partnership or a limited liability limited partnership)), formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written agreement of merger, consolidation or other similar business combination (the "Merger Agreement") in accordance with this Article VIII and the DGCL.

Section 8.02 Class B Stockholder Approval. The merger, consolidation or other similar business combination of the Corporation pursuant to this Article VIII requires the prior approval of the Class B Stockholder; provided, however, that, to the fullest extent permitted by law, the Class B Stockholder shall have no duty or obligation to approve any merger, consolidation or other business combination of the Corporation and, to the fullest extent permitted by law, may decline to do so in its sole and absolute discretion and, in declining to approve a merger, consolidation or other business combination, shall not be required to act pursuant to any other standard imposed by this Certificate of Incorporation, any other agreement contemplated hereby or under the DGCL or any other law, rule or regulation or at equity.

Section 8.03 Other Stockholder Approval .

(a) Except as provided in Section 8.03(d) and subject to Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock, the Board of Directors, upon its approval of the Merger Agreement and the approval of the Class B Stockholder as provided in Section 8.02 , shall direct that the Merger Agreement and the merger, consolidation or other business combination contemplated thereby be submitted to a vote of holders of Designated Stock, whether at an annual meeting, special meeting or by written consent, in either case in accordance with the requirements of Article XVII and the DGCL. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a meeting or the action by written consent.

(b) Except as provided in Section 8.03(d) and subject to Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock, the Merger Agreement and the merger, consolidation or other business combination contemplated thereby shall be adopted and approved upon receiving the affirmative vote or consent of the holders of a majority of the voting power of the Outstanding Designated Stock.

(c) Except as provided in Section 8.03(d) , after such approval by vote or consent of holders of Designated Stock, and at any time prior to the filing of the certificate of merger or consolidation or similar certificate with the Secretary of State of the State of Delaware in conformity with the requirements of the DGCL, the merger, consolidation or other business combination may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

(d) Notwithstanding anything else contained in this Article VIII or otherwise in this Certificate of Incorporation, the Corporation is permitted, with the prior vote or consent of the Class B Stockholder and without any vote of holders of Designated Stock, to merge the Corporation or any Group Member into, or convey all of the Corporation's assets to, another limited liability entity, which shall be newly formed and shall have no assets, liabilities or operations at the time of such merger or conveyance other than those it receives from the Corporation or other Group Member or those arising from its incorporation or formation; provided that (A) the Corporation has received an Opinion of Counsel that the merger or conveyance, as the case may be, would not result in the loss of the limited liability of any stockholder, (B) the sole purpose of such merger or conveyance is to effect a mere change in the legal form of the Corporation into another limited liability entity and (C) the governing instruments of the new entity provide the stockholders with substantially the same rights and obligations as are herein contained.

Section 8.04 Preferred Stock . Notwithstanding anything to the contrary, the provisions of Section 8.03 are not applicable to Preferred Stock or the holders of Preferred Stock. Holders of Preferred Stock shall have no voting, approval or consent rights under this Article VIII . Voting, approval and consent rights of holders of Preferred Stock shall be solely as provided for and set forth in Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock.

ARTICLE IX

RIGHT TO ACQUIRE STOCK OF THE CORPORATION

Section 9.01 Right to Acquire Stock of the Corporation .

(a) Notwithstanding any other provision of this Certificate of Incorporation, if at any time either:

(i) less than 10% of the total shares of any class then Outstanding (other than Class B Common Stock, Class C Common Stock and Preferred Stock) is held by Persons other than the Class B Stockholder and its Affiliates; or

(ii) the Corporation is subjected to registration under the provisions of the U.S. Investment Company Act of 1940, as amended,

the Corporation shall then have the right, which right it may assign and transfer in whole or in part to the Class B Stockholder or any Affiliate of the Class B Stockholder, exercisable in its sole discretion, to purchase all, but not less than all, of such shares of such class then Outstanding held by Persons other than the Class B Stockholder and its Affiliates, at the greater of (x) the Current Market Price as of the date three days prior to the date that the notice described in Section 9.01(b) is mailed and (y) the highest price paid by the Corporation (or any of its Affiliates acting in concert with the Corporation) for any such share of such class purchased during the 90-day period preceding the date that the notice described in Section 9.01(b) is mailed. As used in this Certificate of Incorporation, (i) " Current Market Price " as of any date of any class of stock of the Corporation means the average of the daily Closing Prices per share of such class for the 20 consecutive Trading Days immediately prior to such date; (ii) " Closing Price " for any day means the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such day, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted for trading on the principal National Securities Exchange on which such class of stock of the Corporation is listed or admitted to trading or, if such class of stock of the Corporation is not listed or admitted to trading on any National Securities Exchange, the last quoted price on such day or, if not so quoted, the average of the high bid and low asked prices on such day in the over-the-counter market, as reported by the primary reporting system then in use in relation to such class of stock of the Corporation, or, if on any such day such class of stock of the Corporation is not quoted by any such organization, the average of the closing bid and asked prices on such day as furnished by a professional market maker making a market in such class of stock of the Corporation selected by the Corporation in its sole discretion, or if on any such day no market maker is making a market in such class of stock of the Corporation, the fair value of such class of stock of the Corporation on such day as determined by the Corporation in its sole discretion; and (iii) " Trading Day " means a day on which the principal National Securities Exchange on which such stock of the Corporation of any class is listed or admitted to trading is open for the transaction of business or, if a class of stock of the Corporation is not listed or admitted to trading on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

(b) If the Corporation, the Class B Stockholder or any Affiliate of the Class B Stockholder elects to exercise the right to purchase stock of the Corporation granted pursuant to Section 9.01(a) , the Corporation shall deliver to the Transfer Agent notice of such election to purchase (the " Notice of Election to Purchase ") and shall cause the Transfer Agent to mail a copy of such Notice of Election to Purchase to the Record Holders of such class (as of a Record Date selected by the Corporation) at least 10, but not more than 60, days prior to the Purchase Date. Such Notice of Election to Purchase shall also be published for a period of at least three consecutive days in at least two daily newspapers of general circulation printed in the English language and circulated in the Borough of Manhattan, New York City. The Notice of Election to Purchase shall specify the Purchase Date and the price (determined in accordance with Section 9.01(a)) at which stock of the Corporation will be purchased and state that the Corporation, the Class B Stockholder or its Affiliate, as the case may be, elects to purchase such stock of the Corporation (in the case of stock of the Corporation evidenced by Certificates, upon surrender of Certificates representing such stock) in exchange for payment at such office or offices of the Transfer Agent as the Transfer Agent may specify or as may be required by any National Securities Exchange on which such stock of the Corporation is listed or admitted to trading. Any such Notice of Election to Purchase mailed to a Record Holder at his or her address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given regardless of whether the owner receives such notice. On or prior to the Purchase Date, the Corporation, the Class B Stockholder or its Affiliate, as the case may be, shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate purchase price of all of such stock of the Corporation to be purchased in accordance with this Section 9.01 . If the Notice of Election to Purchase shall have been duly given as aforesaid at least 10 days prior to the Purchase Date, and if on or prior to the Purchase Date the deposit described in the preceding sentence has been made for the benefit of the stockholders subject to purchase as provided herein, then from and after the Purchase Date, notwithstanding that any Certificate shall not have been surrendered for purchase, all rights of such stockholders of the Corporation shall thereupon cease, except the right to receive the purchase price (determined in accordance with Section 9.01(a)) for stock of the Corporation therefor, without interest (in the case of stock of the Corporation evidenced by Certificates, upon surrender to the Transfer Agent of the Certificates representing such stock) and such stock of the Corporation shall thereupon be deemed to be transferred to the Corporation, the Class B Stockholder or its Affiliate, as the case may be, on the record books of the Transfer Agent and the Corporation, the Class B Stockholder or its Affiliate, as the case may be, shall be deemed to be the owner of all such stock of the Corporation from and after the Purchase Date and shall have all rights as the owner of such stock of the Corporation.

ARTICLE X

REQUIRED APPROVALS

Section 10.01 Increase of Designated Percentage . The Corporation shall not increase or permit any increase to the Designated Percentage (as such term is defined in the Group Partnership Agreements) to above 40% without the consent of a majority of the Independent Directors; provided , that any consent of the independent directors of the Former Managing Partner given prior to the Effective Time shall continue to be effective as the consent of a majority of the Independent Directors for purposes of this Section 10.01 .

Section 10.02 Transfer of Group Partnership Class B Units . The Corporation shall not, and shall not permit any of the entities controlled by the Corporation to, consent to any Transfer (as such term is defined in the Group Partnership Agreements) of Class B Units (as such term is defined in the Group Partnership Agreements) without the Transferee (as such term is defined in the Group Partnership Agreements) having entered into a contribution and indemnification agreement that is substantially consistent with the Contribution and Indemnification Agreement among each of the Group Partnerships, KKR Associates Holdings and KKR Intermediate Partnership or a contribution and indemnification agreement that is reasonably satisfactory to the Conflicts Committee of the Board of Directors.

Section 10.03 Approval of Certain Other Matters .

(a) The Corporation shall not authorize, approve or ratify any of the following actions or any plan with respect thereto without the prior approval of the Class B Stockholder, which approval may be in the form of an action by written consent of the Class B Stockholder:

(i) entry into a debt financing arrangement by the Corporation or any of its Subsidiaries, in one transaction or a series of related transactions, in an amount in excess of 10% of the then existing long-term indebtedness of the Corporation (other than the entry into of a debt financing arrangement between or among any of the Corporation and its wholly owned Subsidiaries);

(ii) the issuance by the Corporation or any of its Subsidiaries, in one transaction or a series of related transactions, of any Securities that would (i) represent, after such issuance, or upon conversion, exchange or exercise, as the case may be, at least 5% on a fully diluted, as converted, exchanged or exercised basis, of any class of equity Securities of the Corporation or any of its Subsidiaries or (ii) have designations, preferences, rights, priorities or powers that are more favorable than those of the Class A Common Stock of the Corporation; provided that no such approval shall be required for issuance of Securities that are issuable upon conversion, exchange or exercise of any Securities that were issued and Outstanding as of the effective date of this Certificate of Incorporation;

(iii) the adoption of a shareholder rights plan by the Corporation;

(iv) the amendment of this Certificate of Incorporation, Sections 3.02 through 3.15 and Articles IV and VIII of the Bylaws, or the Group Partnership Agreements;

(v) the exchange or disposition of all or substantially all of the assets, taken as a whole, of the Corporation or any Group Partnership in a single transaction or a series of related transactions;

(vi) the merger, sale or other combination of the Corporation or any Group Partnership with or into any other Person;

(vii) the transfer, mortgage, pledge, hypothecation or grant of a security interest in all or substantially all of the assets of the Group Partnerships;

(viii) the removal of a Chief Executive Officer or a Co-Chief Executive Officer of the Corporation;

(ix) the termination of the employment of any officer of the Corporation or a Subsidiary of the Corporation or the termination of the association of a partner with any Subsidiary of the Corporation, in each case, without cause;

(x) the liquidation or dissolution of the Corporation or any Group Partnership; and

(xi) the withdrawal, removal or substitution of any Person as the general partner of a Group Partnership, or the direct or indirect transfer of beneficial ownership of all or any part of a general partner interest in a Group Partnership to any Person other than a wholly owned Subsidiary of the Corporation.

(b) Solely for purposes of this Section 10.03 , the following definitions shall be applied to the terms used in this Section 10.03 :

" Advised Entity " means any fund or vehicle that is advised, sponsored, raised or managed by the Corporation or its Affiliates or any portfolio investment of any such fund or vehicle.

" Controlled Entity " when used with reference to a Person means any Person controlled by such Person.

" Securities " means any debt or equity securities of an issuer and its Subsidiaries and other Controlled Entities, including common and preferred stock, interests in limited partnerships and interests in limited liability companies (including warrants, rights, put and call options and other options relating thereto or any combination thereof), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action, other property or interests commonly regarded as securities, interests in real property, whether improved or unimproved, interests in oil and gas properties and mineral properties, short-term investments commonly regarded as money-market investments, bank deposits and interests in personal property of all kinds, whether tangible or intangible, and any securities convertible into, or exercisable or exchangeable for, any of the foregoing.

" Subsidiary " of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Corporation (which shall be deemed to include the Group Partnerships and their Subsidiaries), but shall exclude any Advised Entity, irrespective of whether such Advised Entity is consolidated in the financial statements of the Corporation or such Affiliate.

ARTICLE XI

AMENDMENT OF CERTIFICATE OF INCORPORATION

Section 11.01 Amendments to be Approved by the Class B Stockholder. Notwithstanding anything to the contrary set forth herein, and except as otherwise expressly provided by applicable law, the Class B Stockholder shall have the sole right to vote on any amendment to this Certificate of Incorporation proposed by the Board of Directors that:

(a) amends Article X or Section 13.01;

(b) is a change in the name of the Corporation, the registered agent of the Corporation or the registered office of the Corporation;

(c) the Board of Directors has determined to be necessary or appropriate to address changes in U.S. federal, state and local income tax regulations, legislation or interpretation;

(d) the Board of Directors has determined (i) does not adversely affect the stockholders considered as a whole (or adversely affect any particular class or series of stock of the Corporation as compared to another class or series of stock of the Corporation, treating the Class A Common Stock as a separate class for this purpose except under clause (g) below) in any material respect, (ii) to be necessary or appropriate to (A) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any U.S. federal, state, local or non-U.S. agency or judicial authority or contained in any U.S. federal, state, local or non-U.S. statute (including the DGCL) or (B) facilitate the trading of the stock of the Corporation (including the division of any class or classes of Outstanding stock of the Corporation into different classes to facilitate uniformity of tax consequences within such classes of stock of the Corporation) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which the stock of the Corporation is or will be listed, (iii) to be necessary or appropriate in connection with action taken pursuant to Section 4.03, or (iv) is required to effect the intent expressed in the Registration Statement or the intent of the provisions of this Certificate of Incorporation or is otherwise contemplated by this Certificate of Incorporation;

(e) is a change in the Fiscal Year or taxable year of the Corporation and any other changes that the Board of Directors has determined to be necessary or appropriate as a result of a change in the Fiscal Year or taxable year of the Corporation including, if the Board of Directors has so determined, subject to Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock, the periods of time with respect to which dividends are to be made by the Corporation;

(f) is necessary, in the Opinion of Counsel, to prevent the Corporation or the Indemnitees from having a material risk of being in any manner subjected to registration under the provisions of the U.S. Investment Company Act of 1940, as amended, the U.S. Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the U.S. Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) the Board of Directors has determined to be necessary or appropriate in connection with the creation, authorization or issuance of any class or series of stock of the Corporation or options, rights, warrants or appreciation rights relating to stock of the Corporation;

(h) is expressly permitted in this Certificate of Incorporation to be voted on solely by the Class B Stockholder;

(i) is effected, necessitated or contemplated by a Merger Agreement permitted by Article VIII ;

(j) the Board of Directors has determined to be necessary or appropriate to reflect and account for the formation by the Corporation of, or investment by the Corporation in, any corporation, partnership, joint venture, limited liability company or other Person, in connection with the conduct by the Corporation of activities permitted by the terms of Article III ;

(k) is effected, necessitated or contemplated by an amendment to any Group Partnership Agreement that requires unitholders of any Group Partnership to provide a statement, certification or other proof of evidence to the Group Partnerships regarding whether such unitholder is subject to U.S. federal income taxation on the income generated by the Group Partnerships;

(l) reflects a merger or conveyance pursuant to Section 8.03(d) ;

(m) the Board of Directors has determined to be necessary or appropriate to cure any ambiguity, omission, mistake, defect or inconsistency; or

(n) is substantially similar to the foregoing.

The Class B Stockholder shall have no duty or obligation to consent to any amendment to this Certificate of Incorporation and may decline to do so in its sole and absolute discretion.

Section 11.02 Amendment Requirements .

(a) Except as provided in Articles IV , XXI and XXII , Section 11.01 and subsections (b) through (f) of this Section 11.02 , any proposed amendment to this Certificate of Incorporation shall require the approval of the holders of a majority of the voting power of the Outstanding Designated Stock, unless a greater or different percentage is required under the DGCL. Each proposed amendment that requires the approval of the holders of a specified percentage of the voting power of Outstanding Designated Stock shall be set forth in a writing that contains the text or summary of the proposed amendment. If such an amendment is proposed, the Board of Directors shall seek the written approval of the requisite percentage of the voting power of Outstanding Designated Stock or call a meeting of the holders of Designated Stock to consider and vote on such proposed amendment, in each case, in accordance with the provisions of this Certificate of Incorporation and the DGCL. The Corporation shall notify all Record Holders upon final adoption of any such proposed amendments.

(b) Notwithstanding the provisions of Sections 11.01 and 11.02(a) and Article XII , no amendment to this Certificate of Incorporation or the Bylaws may (i) enlarge the obligations of any stockholder without its consent, unless such shall be deemed to have occurred as a result of an amendment approved pursuant to Section 11.02(c) , or (ii) enlarge the obligations of, restrict in any way any action by or rights (including, but not limited to, voting power) of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to the Class B Stockholder or any of its Affiliates without the Class B Stockholder's consent, which consent may be given or withheld in its sole discretion.

(c) Except as provided in Sections 8.03 and 11.01 and Articles XXI and XXII , any amendment that would have a material adverse effect on the rights or preferences of any class of stock of the Corporation in relation to other classes of stock of the Corporation must be approved by the holders of not less than a majority of the Outstanding stock of the class affected.

(d) Notwithstanding any other provision of this Certificate of Incorporation, except for amendments adopted pursuant to Section 11.01 and except as otherwise provided by Article VIII , in addition to any other approval required by this Certificate of Incorporation no amendment shall become effective without the affirmative vote or consent of stockholders holding at least 90% of the voting power of the Outstanding Designated Stock unless the Corporation obtains an Opinion of Counsel to the effect that such amendment will not affect the limited liability of any stockholder under the DGCL.

(e) Except as provided in Section 11.01 , subsections (b) through (f) of this Section 11.02 shall only be amended with the affirmative vote or consent of the stockholders holding at least 90% of the voting power of the Outstanding Designated Stock.

(f) Notwithstanding the provisions of Sections 11.01 and 11.02(a) , no provision of this Certificate of Incorporation that requires the vote of stockholders holding a percentage of the voting power of Outstanding Designated Stock (including Designated Stock owned by the Class B Stockholder and its Affiliates) to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the written consent or the affirmative vote of stockholders whose aggregate Outstanding Designated Stock constitutes not less than the voting or consent requirement sought to be reduced.

Section 11.03 Preferred Stock . Notwithstanding anything to the contrary, subsections Section 11.02(b) through (f) are not applicable to any series of Preferred Stock or the holders of Preferred Stock. Holders of Preferred Stock shall have no voting, approval or consent rights under this Article XI . Voting, approval and consent rights of holders of Preferred Stock shall be solely as provided for and set forth in Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock.

ARTICLE XII

BYLAWS

In furtherance and not in limitation of the powers conferred by the DGCL, except as expressly provided in this Certificate of Incorporation or the Bylaws, the Board of Directors is expressly authorized to adopt, amend and repeal, in whole or in part, the Bylaws without the assent or vote of the stockholders in any manner not inconsistent with the DGCL or this Certificate of Incorporation. Any adoption, amendment or repeal of the Bylaws that expressly modifies or prejudices the rights of the Independent Directors shall require the affirmative vote or consent of the majority of the Independent Directors.

ARTICLE XIII

OFFICERS

Section 13.01 Appointment, Selection and Designation of Chief Executive Officer or Co-Chief Executive Officers . The officers of the Corporation shall include a "Chief Executive Officer" or "Co-Chief Executive Officers," each of whom shall be appointed by the Class B Stockholder, and who shall hold office for such terms as shall be determined by the Class B Stockholder or until his or her earlier death, resignation, retirement, disqualification or removal. Any other officer of the Corporation shall be selected and designated pursuant to the Bylaws.

Section 13.02 Vacancies . Any vacancies occurring in any office of the Chief Executive Officer or Co-Chief Executive Officer shall be filled by the Class B Stockholder in the same manner as such officers are appointed pursuant to Section 13.01 . Any vacancies occurring in any other offices shall be filled pursuant to the Bylaws.

Section 13.03 Removal . An officer of the Corporation may be removed from office with or without cause at any time by the Board of Directors (and, in case of the Chief Executive Officer or Co-Chief Executive Officers, only with the consent of the Class B Stockholder in accordance with Section 10.03(a)(viii)).

ARTICLE XIV

OUTSIDE ACTIVITIES

Section 14.01 Outside Activities .

(a) The Class B Stockholder, for so long as it owns Class B Common Stock, (i) agrees that its sole business will be to act as the Class B Stockholder and as a general partner or managing member of any partnership or limited liability company of which the Corporation is, directly or indirectly, a partner, member, trustee or stockholder and to undertake activities that are ancillary or related thereto and (ii) shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (A) its performance as the Class B Stockholder and as a general partner, managing member, trustee or stockholder of one or more Group Members or as described in or contemplated by the Registration Statement or (B) the acquiring, owning or disposing of debt or equity securities in any Group Member.

(b) Except insofar as the Class B Stockholder is specifically restricted by Section 14.01(a) and except with respect to any corporate opportunity expressly offered to any Indemnitee solely through their service to the Corporate Group, to the fullest extent permitted by law, each Indemnitee shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Group Member, independently or with others, including business interests and activities in direct competition with the business and activities of any Group Member, and none of the same shall constitute a violation of this Certificate of Incorporation or any duty otherwise existing at law, in equity or otherwise to any Group Member or any stockholder of the Corporation. Subject to the immediately preceding sentence, no Group Member or any stockholder of the Corporation shall have any rights by virtue of this Certificate of Incorporation, the DGCL or otherwise in any business ventures of any Indemnitee, and the Corporation hereby waives and renounces any interest or expectancy therein.

Section 14.02 Approval and Waiver . Subject to the terms of Section 14.01 , but otherwise notwithstanding anything to the contrary in this Certificate of Incorporation, (i) the engagement in competitive activities by any Indemnitee (other than the Class B Stockholder) in accordance with the provisions of this Article XIV is hereby deemed approved by the Corporation and all stockholders, (ii) it shall not be a breach of the Class B Stockholder's or any other Indemnitee's duties or any other obligation of any type whatsoever of the Class B Stockholder or any other Indemnitee if the Indemnitee (other than the Class B Stockholder) engages in any such business interests or activities in preference to or to the exclusion of any Group Member, (iii) the Class B Stockholder and the other Indemnitees shall have no obligation hereunder or as a result of any duty otherwise existing at law, in equity or otherwise to present business opportunities to any Group Member and (iv) the Corporation hereby waives and renounces any interest or expectancy in such activities such that the doctrine of "corporate opportunity" or other analogous doctrine shall not apply to any such Indemnitee.

Section 14.03 Acquisition of Stock . The Class B Stockholder and any of its Affiliates may acquire stock of the Corporation or options, rights, warrants or appreciation rights relating to stock of the Corporation and, except as otherwise expressly provided in this Certificate of Incorporation, shall be entitled to exercise all rights of a stockholder of the Corporation relating to such stock or options, rights, warrants or appreciation rights relating to stock of the Corporation.

ARTICLE XV

BUSINESS COMBINATIONS

The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

ARTICLE XVI

INDEMNIFICATION , LIABILITY OF INDEMNITEES

Section 16.01 Indemnification .

(a) To the fullest extent permitted by law (including, if and to the extent applicable, Section 145 of the DGCL), but subject to the limitations expressly provided for in this Certificate of Incorporation, all Indemnitees shall be indemnified and held harmless by the Corporation on an after tax basis from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee whether arising from acts or omissions to act occurring on, before or after the date of this Certificate of Incorporation; provided that an Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Section 16.01 , the Indemnitee acted in bad faith or engaged in fraud or willful misconduct. Notwithstanding the preceding sentence, except as otherwise provided in Section 16.01(j) , the Corporation shall be required to indemnify a Person described in such sentence in connection with any claim, demand, action, suit or proceeding (or part thereof) commenced by such Person only if (x) the commencement of such claim, demand, action, suit or proceeding (or part thereof) by such Person was authorized by the Board of Directors or (y) there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that such Person was entitled to indemnification by the Corporation pursuant to Section 16.01(j) . The indemnification of an Indemnitee of the type identified in clause (e) of the definition of Indemnitee shall be secondary to any and all indemnification to which such Person is entitled from, firstly, the relevant other Person, and from, secondly, the relevant Fund (if applicable), and will only be paid to the extent the primary indemnification is not paid and the proviso set forth in the first sentence of this Section 16.01(a) does not apply; provided that such other Person and such Fund shall not be entitled to contribution or indemnification from or subrogation against the Corporation, unless otherwise mandated by applicable law. If, notwithstanding the foregoing sentence, the Corporation makes an indemnification payment or advances expenses to such an Indemnitee entitled to primary indemnification, the Corporation shall be subrogated to the rights of such Indemnitee against the Person or Persons responsible for the primary indemnification. " Fund " means any fund, investment vehicle or account whose investments are managed or advised by the Corporation (if any) or an Affiliate thereof.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 16.01(a) in appearing at, participating in or defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Corporation prior to a final and non-appealable determination that the Indemnitee is not entitled to be indemnified upon receipt by the Corporation of an undertaking by or on behalf of the Indemnitee to repay such amount if it ultimately shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 16.01 .

(c) The indemnification provided by this Section 16.01 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, insurance, pursuant to any vote of the holders of Outstanding Designated Stock entitled to vote on such matter, as a matter of law, in equity or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity.

(d) The Corporation may purchase and maintain insurance, on behalf of the Indemnitees and such other Persons as the Board of Directors shall determine in its sole discretion, against any liability that may be asserted against, or expense that may be incurred by, such Person in connection with the Corporation's activities or such Person's activities on behalf of the Corporation, regardless of whether the Corporation would have the power to indemnify such Person against such liability under the provisions of this Certificate of Incorporation.

(e) For purposes of this Section 16.01 , (i) the Corporation shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Corporation also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; (ii) excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 16.01(a) ; and (iii) any action taken or omitted by an Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the Corporation.

(f) Any indemnification pursuant to this Section 16.01 shall be made only out of the assets of the Corporation. The Class B Stockholder shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Corporation to enable it to effectuate such indemnification. In no event may an Indemnitee subject any other stockholders of the Corporation to personal liability by reason of the indemnification provisions set forth in this Certificate of Incorporation.

(g) To the fullest extent permitted by law, an Indemnitee shall not be denied indemnification in whole or in part under this Section 16.01 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Certificate of Incorporation.

(h) The provisions of this Section 16.01 are for the benefit of the Indemnitees and their heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 16.01 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Corporation, nor the obligations of the Corporation to indemnify any such Indemnitee under and in accordance with the provisions of this Section 16.01 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or-in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(j) If a claim for indemnification (following the final disposition of the action, suit or proceeding for which indemnification is being sought) or advancement of expenses under this Section 16.01 is not paid in full within 30 days after a written claim therefor by any Indemnitee has been received by the Corporation, such Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expenses of prosecuting such claim, including reasonable attorneys' fees. In any such action the Corporation shall have the burden of proving that such Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

(k) This Section 16.01 shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to, and purchase and maintain insurance on behalf of, Persons other than Indemnitees.

Section 16.02 Liability of Indemnitees .

(a) Notwithstanding anything to the contrary set forth in this Certificate of Incorporation, to the extent and in the manner permitted by law, no Indemnitee shall be liable to the Corporation, the stockholders of the Corporation or any other Persons who have acquired interests in stock of the Corporation, for any losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising as a result of any act or omission of an Indemnitee, or for any breach of contract (including a violation of this Certificate of Incorporation) or any breach of duties (including breach of fiduciary duties) whether arising hereunder, at law, in equity or otherwise, unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or engaged in fraud or willful misconduct.

(b) Any amendment, modification or repeal of this Section 16.02 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnitees under this Section 16.02 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted, and provided such Person became an Indemnitee hereunder prior to such amendment, modification or repeal.

(c) A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

Section 16.03 Other Matters Concerning the Class B Stockholder .

(a) To the fullest extent permitted by law, stockholders of the Corporation expressly acknowledge that the Class B Stockholder is under no obligation to consider the separate interests of the other stockholders of the Corporation (including the tax consequences to such stockholders) in deciding whether to cause the Corporation to take (or decline to take) any action, and that, to the fullest extent permitted by law, the Class B Stockholder shall not be liable to the other stockholders of the Corporation for monetary damages or equitable relief for losses sustained, liabilities incurred or benefits not derived by such stockholders in connection with such decisions.

(b) To the fullest extent permitted by law, the Class B Stockholder may exercise any of the powers granted to it by this Certificate of Incorporation and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the Class B Stockholder shall not be responsible for any misconduct, negligence or wrongdoing on the part of any such agent appointed by the Class B Stockholder in good faith.

(c) To the fullest extent permitted by law, in connection with any action taken with respect to the Corporate Group, the Class B Stockholder may (i) rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties and (ii) consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and, to the fullest extent permitted by law, any act taken or omitted to be taken in reliance upon the advice or opinion (including an Opinion of Counsel) of such Persons as to matters that the Class B Stockholder reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such advice or opinion.

(d) The Class B Stockholder may, upon written request to the Corporation, be reimbursed for all direct and indirect expenses the Class B Stockholder incurs in connection with any action taken with respect to the Corporate Group. Reimbursements pursuant to this Section 16.03 shall be in addition to any reimbursement to the Class B Stockholder as a result of indemnification pursuant to Section 16.01 .

ARTICLE XVII

MEETINGS OF STOCKHOLDERS, ACTION WITHOUT A MEETING

Section 17.01 Special Meetings . Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of (i) the Board of Directors, (ii) the Class B Stockholder or (iii) if at any time stockholders of the Corporation other than the Class B Stockholder are entitled under applicable law or this Certificate of Incorporation to vote on the specific matters proposed to be brought before a special meeting, stockholders of the Corporation representing 50% or more of the voting power of the Outstanding stock of the Corporation of the class or classes for which a meeting is proposed and relating to such matters for which such class or classes are entitled to vote at such meeting. For the avoidance of doubt, the Class A Common Stock and Class C Common Stock shall not constitute separate classes for this purpose. Stockholders of the Corporation shall call a special meeting by delivering to the Board of Directors one or more requests in writing stating that the signing stockholders wish to call a special meeting and indicating the purposes for which the special meeting is to be called. Within 60 days after receipt of such a call from stockholders or within such greater time as may be reasonably necessary for the Corporation to comply with any statutes, rules, regulations, listing, agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, notice of such meeting shall be given in accordance with the DGCL. A special meeting shall be held at a time and place determined by the Board of Directors in its sole discretion on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting.

Section 17.02 Adjournment. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 30 days. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new Record Date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the Record Date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the Record Date so fixed for notice of such adjourned meeting.

Section 17.03 Quorum. The stockholders of the Corporation holding a majority of the voting power of the Outstanding stock of the class or classes entitled to vote at a meeting (including stock of the Corporation deemed owned by the Class B Stockholder) represented in person or by proxy shall constitute a quorum at a meeting of stockholders of such class or classes unless any such action by the stockholders of the Corporation requires approval by stockholders holding a greater percentage of the voting power of such stock, in which case the quorum shall be such greater percentage. For the avoidance of doubt, the Class A Common Stock and the Class C Common Stock shall not constitute separate classes for this purpose except as otherwise required by applicable law. At any meeting of the stockholders of the Corporation duly called and held in accordance with this Certificate of Incorporation at which a quorum is present, the act of stockholders holding Outstanding stock of the Corporation that in the aggregate represents a majority of the voting power of the Outstanding stock entitled to vote at such meeting shall be deemed to constitute the act of all stockholders, unless a greater or different percentage is required with respect to such action under this Certificate of Incorporation or applicable law, in which case the act of the stockholders holding Outstanding stock that in the aggregate represents at least such greater or different percentage of the voting power shall be required. The stockholders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of the voting power of Outstanding stock of the Corporation specified in this Certificate of Incorporation (including Outstanding stock of the Corporation deemed owned by the Class B Stockholder). In the absence of a quorum, any meeting of stockholders may be adjourned from time to time by the affirmative vote of stockholders holding at least a majority of the voting power of the Outstanding stock of the Corporation present and entitled to vote at such meeting (including Outstanding stock of the Corporation deemed owned by the Class B Stockholder) represented either in person or by proxy, but no other business may be transacted, except as provided in Section 17.02.

Section 17.04 Conduct of a Meeting . To the fullest extent permitted by law, the Board of Directors shall have full power and authority concerning the manner of conducting any meeting of the stockholders of the Corporation or solicitation of approvals in writing, including the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 17.01 , the conduct of voting, the validity and effect of any proxies, the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting and similar matters. The Board of Directors shall designate a Person to serve as chairman of any meeting, who, to the fullest extent permitted by law, shall, among other things, be entitled to exercise the powers of the Board of Directors set forth in this Section 17.04 , and the Board of Directors shall further designate a Person to take the minutes of any meeting. All minutes shall be kept with the records of the Corporation. The Board of Directors may make such other regulations consistent with applicable law and this Certificate of Incorporation as it may deem necessary or advisable concerning the conduct of any meeting of the stockholders or solicitation of stockholder action by written consent in lieu of a meeting, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of ballots, proxies and written consents. Unless the Bylaws provide otherwise, elections of directors need not be by written ballot.

Section 17.05 Action Without a Meeting . If consented to by the Board of Directors in writing (which consent shall not be required with respect to any action to be taken solely by the Class B Stockholder), any action that may be taken at a meeting of the stockholders entitled to vote may be taken without a meeting, without a vote and without prior notice, if a consent or consents in writing setting forth the action so taken are signed by stockholders owning not less than the minimum percentage of the voting power of the Outstanding stock of the Corporation (including stock of the Corporation deemed owned by the Class B Stockholder) that would be necessary to authorize or take such action at a meeting at which all the stockholders entitled to vote were present and voted and such consent or consents are delivered in the manner contemplated by Section 228 of the DGCL (unless such provision conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the stock of the Corporation or a class thereof are listed for trading, in which case the rule, regulation, guideline or requirement of such exchange shall govern). Prompt notice of the taking of action without a meeting shall be given to the stockholders of the Corporation entitled thereto pursuant to the DGCL.

ARTICLE XVIII

BOOKS, RECORDS, ACCOUNTING

Section 18.01 Records and Accounting . The Corporation shall keep or cause to be kept at the principal office of the Corporation or any other place designated by the Board of Directors appropriate books and records with respect to the Corporation's business. Any books and records maintained by or on behalf of the Corporation in the regular course of its business, including the record of the Record Holders of stock of the Corporation or options, rights, warrants or appreciation rights relating to stock of the Corporation, books of account and records of Corporation proceedings, may be kept on, or be in the form of, computer disks, hard drives, magnetic tape, photographs, micrographics or any other information storage device; provided that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Corporation shall be maintained, for financial reporting purposes, on an accrual basis in accordance with U.S. GAAP.

Section 18.02 Fiscal Year . The fiscal year of the Corporation (each, a " Fiscal Year ") shall be a year ending December 31. The Board of Directors, subject to the approval of the Class B Stockholder in accordance with Section 11.01(e) , may change the Fiscal Year of the Corporation at any time and from time to time in each case as may be required or permitted under the Code or applicable United States Treasury Regulations and shall notify the stockholders of such change in the next regular communication to stockholders.

ARTICLE XIX

NOTICE AND WAIVER OF NOTICE

Section 19.01 Notice .

(a) Any notice, demand, request, report, document or proxy materials required or permitted to be given or made to a stockholder pursuant to this Certificate of Incorporation shall be in writing and shall be deemed given or made when delivered in person, when sent by first class United States mail or by other means of written communication to the stockholder at the address in Section 19.01(b) , or when made in any other manner, including by press release, if permitted by applicable law.

(b) Except as otherwise provided by law, any payment, distribution or other matter to be given or made to a stockholder hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, when delivered in person or upon sending of such payment, distribution or other matter to the Record Holder of such shares of stock of the Corporation at his or her address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Corporation, regardless of any claim of any Person who may have an interest in such shares by reason of any assignment or otherwise.

(c) Notwithstanding the foregoing, if (i) a stockholder shall consent to receiving notices, demands, requests, reports, documents or proxy materials via electronic mail or by the Internet or (ii) the rules of the Commission shall permit any report or proxy materials to be delivered electronically or made available via the Internet, any such notice, demand, request, report or proxy materials shall be deemed given or made in accordance with Section 232 of the DGCL, as applicable, or otherwise when delivered or made available via such mode of delivery.

(d) An affidavit or certificate of making of any notice, demand, request, report, document, proxy material, payment, distribution or other matter in accordance with the provisions of this Section 19.01 executed by the Corporation, the Transfer Agent, their agents or the mailing organization shall be prima facie evidence of the giving or making of such notice, demand, request, report, document, proxy material, payment, distribution or other matter. Any notice to the Corporation shall be deemed given if received in writing by the Corporation at its principal office. To the fullest extent permitted by law, the Corporation may rely and shall be protected in relying on any notice or other document from a stockholder if believed by it to be genuine.

Section 19.02 Waiver of Notice . A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such Person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such Person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting (in Person or by remote communication) shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE XX

EXCLUSIVE JURISDICTION

Each stockholder of the Corporation and each Person holding any beneficial interest in the Corporation (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise), to the fullest extent permitted by law, (i) irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to this Certificate of Incorporation (including any claims, suits or actions to interpret, apply or enforce (A) the provisions of this Certificate of Incorporation or the Bylaws, (B) the duties, obligations or liabilities of the Corporation to the stockholders of the Corporation, or of stockholders of the Corporation to the Corporation, or among stockholders of the Corporation, (C) the rights or powers of, or restrictions on, the Corporation or any stockholder of the Corporation, (D) any provision of the DGCL, or (E) any other instrument, document, agreement or certificate contemplated by any provision of the DGCL relating to the Corporation (regardless of whether such claims, suits, actions or proceedings (x) sound in contract, tort, fraud or otherwise, (y) are based on common law, statutory, equitable, legal or other grounds, or (z) are derivative or direct claims)), shall be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, any other court in the State of Delaware with subject matter jurisdiction; (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper; (iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding; (v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such service shall constitute good and sufficient service of process and notice thereof; provided , that nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law; and (vi) irrevocably waives any and all right to trial by jury in any such claim, suit, action or proceeding.

ARTICLE XXI

TERMS OF SERIES A PREFERRED STOCK

Section 21.01 Designation. The Series A Preferred Stock is hereby designated and created as a series of Preferred Stock. Each share of Series A Preferred Stock shall be identical in all respects to every other share of Series A Preferred Stock. The Series A Preferred Stock is not "Designated Stock" for purposes of this Certificate of Incorporation. The Series A Preferred Stock ranks equally with the Series B Preferred Stock with respect to payment of dividends and distributions of assets upon a Dissolution Event.

Section 21.02 Definitions. The following terms apply only to this Article XXI of this Certificate of Incorporation.

" Below Investment Grade Rating Event " means (x) the rating on any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is lowered in respect of a Change of Control and (y) any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is rated below Investment Grade by both Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended until the ratings are announced if during such 60-day period the rating of any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is under publicly announced consideration for possible downgrade by either of the Rating Agencies); provided , that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Event hereunder) if a Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Corporation in writing at the Corporation's request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

" Change of Control " means the occurrence of the following:

(i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the combined assets of the KKR Issuer Group taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than to a Continuing KKR Person; or

(ii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act or any successor provision), other than a Continuing KKR Person, becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act or any successor provision) of a majority of the controlling interests in (i) the Corporation or (ii) one or more of the Corporation, the Group Partnerships and any other entity that, as of the relevant time, is a guarantor to any series of KKR Senior Notes that together hold all or substantially all of the assets of the KKR Issuer Group taken as a whole.

" Change of Control Event " means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

" Continuing KKR Person " means, immediately prior to and immediately following any relevant date of determination, (i) an individual who (a) is an executive of the KKR Group, (b) devotes substantially all of his or her business and professional time to the activities of the KKR Group and (c) did not become an executive of the KKR Group or begin devoting substantially all of his or her business and professional time to the activities of the KKR Group in contemplation of a Change of Control, or (ii) any Person in which any one or more of such individuals directly or indirectly, singly or as a group, holds a majority of the controlling interests.

" Dividend Payment Date " means March 15, June 15, September 15 and December 15 of each year, commencing June 15, 2016.

" Dividend Period " means the period from and including a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period commences on and includes March 17, 2016.

" Fitch " means Fitch Ratings Inc. or any successor thereto.

" Investment Grade " means, with respect to Fitch, a rating of BBB- or better (or its equivalent under any successor rating categories of Fitch) and, with respect to S&P, a rating of BBB- or better (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate a series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, ceases to assign a long-term issuer rating to the Corporation) for reasons outside of the Corporation's control, the equivalent investment grade credit rating from any Rating Agency selected by the Board of Directors as a replacement Rating Agency).

" Junior Stock " means Common Stock and any other equity securities that the Corporation may issue in the future ranking, as to the payment of dividends and distributions of assets upon a Dissolution Event, junior to the Series A Preferred Stock.

" KKR Group " means the Group Partnerships, the direct and indirect parents (including, without limitation, general partners) of the Group Partnerships (the " Parent Entities "), any direct or indirect subsidiaries of the Parent Entities or the Group Partnerships, the general partner or similar controlling entities of any investment or vehicle that is managed, advised or sponsored by the KKR Group (a " KKR Fund "), and any other entity through which any of the foregoing directly or indirectly conduct its business, but shall exclude any company in which a KKR Fund has an investment. For purposes of this definition "subsidiary" means, with respect to any Person, any subsidiary of such Person that is or would be consolidated with such Person in the preparation of segment information with respect to the combined financial statements of such Person prepared in accordance with U.S. GAAP and shall not include (x) any private equity or other investment fund or vehicle or (y) any portfolio company of any such fund or vehicle.

" KKR Issuer Group " means the Corporation, the Group Partnerships and any other entity that, as of the relevant time, is a guarantor to any series of KKR Senior Notes, and their direct and indirect subsidiaries (to the extent of their economic ownership interest in such subsidiaries) taken as a whole. For purposes of this definition "subsidiary" means, with respect to any Person, any subsidiary of such Person that is or would be consolidated with such Person in the preparation of segment information with respect to the combined financial statements of such Person prepared in accordance with U.S. GAAP and shall not include (x) any private equity or other investment fund or vehicle or (y) any portfolio company of any such fund or vehicle.

" KKR Senior Notes " means (i) the 6.375% Senior Notes due 2020 issued by KKR Group Finance Co. LLC, (ii) the 5.500% Senior Notes due 2043 issued by KKR Group Finance Co. II LLC and (iii) the 5.125% Senior Notes due 2044 issued by KKR Group Finance Co. III LLC, or similar series of senior unsecured debt securities, and in each case, guaranteed by the Corporation and the Group Partnerships.

" Nonpayment " has the meaning set forth in Section 21.07(a) .

" Parity Stock " means any stock of the Corporation, including Preferred Stock, that the Corporation may authorize or issue, the terms of which provide that such securities shall rank equally with the Series A Preferred Stock with respect to payment of dividends and distribution of assets upon a Dissolution Event.

" Person " means, with respect to this Article XXI only, an individual, a corporation, a partnership, a limited liability company, an association, a trust, or any other entity including government or political subdivision or an agency or instrumentality thereof.

" Rating Agency " means:

(i) each of Fitch and S&P; and

(ii) if either of Fitch or S&P ceases to rate any series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, ceases to assign a long-term issuer rating to the Corporation) or fails to make a rating of any series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the long-term issuer rating of the Corporation) publicly available for reasons outside of the Corporation's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by the Board of Directors as a replacement agency for Fitch or S&P, or both, as the case may be.

" S&P " means Standard & Poor's Ratings Services, a division of McGraw-Hill Financial, Inc., or any successor thereto.

" Series A Dividend Rate " means 6.75%.

" Series A Holder " means a holder of Series A Preferred Stock.

" Series A Liquidation Preference " means $25.00 per share of Series A Preferred Stock.

" Series A Liquidation Value " means the sum of the Series A Liquidation Preference and declared and unpaid dividends, if any, to, but excluding, the date of the Dissolution Event on the Series A Preferred Stock.

" Series A Preferred Stock " means the 6.75% Series A Preferred Stock having the designations, rights, powers and preferences set forth in this Article XXI .

" Series A Record Date " means, with respect to any Dividend Payment Date, the March 1, June 1, September 1 or December 1, as the case may be, immediately preceding the relevant March 15, June 15, September 15 or December 15 Dividend Payment Date, respectively. These Series A Record Dates shall apply regardless of whether a particular Series A Record Date is a Business Day. The Series A Record Dates shall constitute Record Dates with respect to the Series A Preferred Stock for the purpose of dividends on the Series A Preferred Stock.

" Voting Preferred Stock " has the meaning set forth in Section 21.07(a) .

Section 21.03 Dividends .

(a) The Series A Holders shall be entitled to receive with respect to each share of Series A Preferred Stock owned by such holder, when, as and if declared by the Board of Directors, or a duly authorized committee thereof, in its sole discretion out of funds legally available therefor, non-cumulative quarterly cash dividends, on the applicable Dividend Payment Date that corresponds to the Record Date for which the Board of Directors has declared a dividend, if any, at a rate per annum equal to the Series A Dividend Rate (subject to Section 21.06(c)) of the Series A Liquidation Preference. Such dividends shall be non-cumulative. If a Dividend Payment Date is not a Business Day, the related dividend (if declared) shall be paid on the next succeeding Business Day with the same force and effect as though paid on such Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment. Dividends payable on the Series A Preferred Stock for any period less than a full Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in such period. Declared dividends will be payable on the relevant Dividend Payment Date to Series A Holders as they appear on the Corporation's register at the close of business, New York City time, on a Series A Record Date, provided that if the Series A Record Date is not a Business Day, the declared dividends will be payable on the relevant Dividend Payment Date to Series A Holders as they appear on the Corporation's register at the close of business, New York City time on the Business Day immediately preceding such Series A Record Date.

(b) So long as any shares of Series A Preferred Stock are Outstanding, (i) no dividend, whether in cash or property, may be declared or paid or set apart for payment on the Junior Stock for the then-current quarterly Dividend Period (other than dividends paid in Junior Stock or options, warrants or rights to subscribe for or purchase Junior Stock) and (ii) the Corporation and its Subsidiaries shall not directly or indirectly repurchase, redeem or otherwise acquire for consideration any Junior Stock, unless, in each case, dividends have been declared and paid or declared and set apart for payment on the Series A Preferred Stock for the then-current quarterly Dividend Period.

(c) The Board of Directors, or a duly authorized committee thereof, may, in its sole discretion, choose to pay dividends on the Series A Preferred Stock without the payment of any dividends on any Junior Stock.

(d) When dividends are not declared and paid (or duly provided for) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related Dividend Period) in full upon the Series A Preferred Stock or any Parity Stock, all dividends declared upon the Series A Preferred Stock and all such Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the related Dividend Period) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all declared and unpaid dividends per share on the Series A Preferred Stock and all accumulated unpaid dividends on all Parity Stock payable on such Dividend Payment Date (or in the case of non-cumulative Parity Stock, unpaid dividends for the then-current Dividend Period (whether or not declared) and in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related Dividend Period) bear to each other.

(e) No dividends may be declared or paid or set apart for payment on any Series A Preferred Stock if at the same time any arrears exist or default exists in the payment of dividends on any Outstanding stock of the Corporation ranking, as to the payment of dividends and distribution of assets upon a Dissolution Event, senior to the Series A Preferred Stock, subject to any applicable terms of such Outstanding stock of the Corporation.

(f) Series A Holders shall not be entitled to any dividends, whether payable in cash or property, other than as provided in this Certificate of Incorporation and shall not be entitled to interest, or any sum in lieu of interest, in respect of any dividend payment, including any such payment which is delayed or foregone.

Section 21.04 Rank . The Series A Preferred Stock shall rank, with respect to payment of dividends and distribution of assets upon a Dissolution Event:

(a) junior to all of the Corporation's existing and future indebtedness and any equity securities, including Preferred Stock, that the Corporation may authorize or issue, the terms of which provide that such securities shall rank senior to the Series A Preferred Stock with respect to payment of dividends and distribution of assets upon a Dissolution Event;

(b) equally to any Parity Stock; and

(c) senior to any Junior Stock.

Section 21.05 Optional Redemption .

(a) Except as set forth in Section 21.06 , the Series A Preferred Stock shall not be redeemable prior to June 15, 2021. At any time or from time to time on or after June 15, 2021, subject to any limitations that may be imposed by law, the Corporation may, in the sole discretion of the Board of Directors, redeem the Series A Preferred Stock, in whole or in part, at a redemption price equal to the Series A Liquidation Preference per share of Series A Preferred Stock plus an amount equal to declared and unpaid dividends, if any, from the Dividend Payment Date immediately preceding the redemption date to, but excluding, the redemption date. If less than all of the Outstanding Series A Preferred Stock are to be redeemed, the Board of Directors shall select the Series A Preferred Stock to be redeemed from the Outstanding Series A Preferred Stock not previously called for redemption by lot or pro rata (as nearly as possible).

(b) In the event the Corporation shall redeem any or all of the Series A Preferred Stock as aforesaid in Section 21.05(a) , the Corporation shall give notice of any such redemption to the Series A Holders (which such notice may be delivered prior to June 15, 2021) not more than 60 nor less than 30 days prior to the date fixed for such redemption. Failure to give notice to any Series A Holder shall not affect the validity of the proceedings for the redemption of any Series A Preferred Stock being redeemed.

(c) Notice having been given as herein provided and so long as funds sufficient to pay the redemption price for all of the Series A Preferred Stock called for redemption have been set aside for payment, from and after the redemption date, such Series A Preferred Stock called for redemption shall no longer be deemed Outstanding, and all rights of the Series A Holders thereof shall cease other than the right to receive the redemption price, without interest.

(d) The Series A Holders shall have no right to require redemption of any Series A Preferred Stock.

(e) Without limiting Section 21.05(c) , if the Corporation shall deposit, on or prior to any date fixed for redemption of Series A Preferred Stock (pursuant to notice delivered in accordance with Section 21.05(b)), with any bank or trust company as a trust fund, a fund sufficient to redeem the Series A Preferred Stock called for redemption, with irrevocable instructions and authority to such bank or trust company to pay on and after the date fixed for redemption or such earlier date as the Board of Directors may determine, to the respective Series A Holders, the redemption price thereof, then from and after the date of such deposit (although prior to the date fixed for redemption) such Series A Preferred Stock so called shall be deemed to be redeemed and such deposit shall be deemed to constitute full payment of said Series A Preferred Stock to the holders thereof and from and after the date of such deposit said Series A Preferred Stock shall no longer be deemed to be Outstanding, and the holders thereof shall cease to be holders with respect to such Series A Preferred Stock, and shall have no rights with respect thereto except only the right to receive from said bank or trust company, on the redemption date or such earlier date as the Board of Directors may determine, payment of the redemption price of such Series A Preferred Stock without interest.

Section 21.06 Change of Control Redemption .

(a) If a Change of Control Event occurs prior to June 15, 2021, within 60 days of the occurrence of such Change of Control Event, the Corporation may, in the sole discretion of the Board of Directors, redeem the Series A Preferred Stock, in whole but not in part, out of funds legally available therefor, at a redemption price equal to $25.25 per share of Series A Preferred Stock plus an amount equal to any declared and unpaid dividends to, but excluding, the redemption date.

(b) In the event the Corporation elects to redeem all of the Series A Preferred Stock as aforesaid in Section 21.06(a) , the Corporation shall give notice of any such redemption to the Series A Holders at least 30 days prior to the date fixed for such redemption.

(c) If (i) a Change of Control Event occurs (whether before, on or after June 15, 2021) and (ii) the Corporation does not give notice to the Series A Holders prior to the 31st day following the Change of Control Event to redeem all the Outstanding Series A Preferred Stock, the Series A Dividend Rate shall increase by 5.00%, beginning on the 31st day following the consummation of such Change of Control Event.

(d) In connection with any Change of Control and any particular reduction in the rating on a series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, a reduction in the Corporation's long-term issuer rating), the Board of Directors shall request from the Rating Agencies each such Rating Agency's written confirmation whether such reduction in the rating on each such series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of any Below Investment Grade Rating Event).

(e) The Series A Holders shall have no right to require redemption of any Series A Preferred Stock pursuant to this Section 21.06 .

Section 21.07 Voting .

(a) Notwithstanding any provision in this Certificate of Incorporation to the contrary, and except as set forth in this Section 21.07 , the Series A Preferred Stock shall not have any relative, participating, optional or other voting, consent or approval rights or powers, and the vote, consent or approval of the Series A Holders shall not be required for the taking of any action or inaction by the Corporation. If and whenever six quarterly dividends (whether or not consecutive) payable on the Series A Preferred Stock or six quarterly dividends (whether or not consecutive) payable on any series or class of Parity Stock have not been declared and paid (a " Nonpayment "), the number of directors then constituting the Board of Directors automatically shall be increased by two and the Series A Holders, voting together as a single class with the holders of any other class or series of Parity Stock then Outstanding upon which like voting rights have been conferred and are exercisable (any such other class or series, " Voting Preferred Stock "), shall have the right to elect these two additional directors at a meeting of the Series A Holders and the holders of such Voting Preferred Stock called as hereafter provided. When quarterly dividends have been declared and paid on the Series A Preferred Stock for four consecutive Dividend Periods following the Nonpayment, then the right of the Series A Holders and the holders of such Voting Preferred Stock to elect such two additional directors shall cease and all directors elected by the Series A Holders and holders of the Voting Preferred Stock shall forthwith cease to be qualified and their terms shall forthwith terminate immediately and the number of directors constituting the whole Board of Directors automatically shall be reduced by two. However, the right of the Series A Holders and the holders of the Voting Preferred Stock to elect two additional directors on the Board of Directors shall again vest if and whenever six additional quarterly dividends have not been declared and paid, as described above.

(b) If a Nonpayment or a subsequent Nonpayment shall have occurred, the Secretary of the Corporation may, and upon the written request of any holder of Series A Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the Series A Holders and holders of the Voting Preferred Stock for the election of the two directors to be elected by them. The directors elected at any such special meeting shall hold office until the next annual meeting or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. The Board of Directors shall, in its sole discretion, determine a date for a special meeting applying procedures consistent with Article XVII in connection with the expiration of the term of the two directors elected pursuant to this Section 21.07 . The Series A Holders and holders of the Voting Preferred Stock, voting together as a class, may remove any director elected by the Series A Holders and holders of the Voting Preferred Stock pursuant to this Section 21.07 . If any vacancy shall occur among the directors elected by the Series A Holders and holders of the Voting Preferred Stock, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by the Series A Holders and holders of the Voting Preferred Stock or the successor of such remaining director, to serve until the next special meeting (convened as set forth in the immediately preceding sentence) held in place thereof if such office shall not have previously terminated as above provided. Except to the extent expressly provided otherwise in this Section 21.07 , any such annual or special meeting shall be called and held applying procedures consistent with Article XVII as if references to stockholders of the Corporation were references to Series A Holders and holders of Voting Preferred Stock.

(c) Notwithstanding anything to the contrary in Article VIII , XI or XVII but subject to Section 21.07(d) , so long as any shares of Series A Preferred Stock are Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Series A Holders and holders of the Voting Preferred Stock, at the time Outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary:

(i) to amend, alter or repeal any of the provisions of this Article XXI relating to the Series A Preferred Stock or any series of Voting Preferred Stock, whether by merger, consolidation or otherwise, to affect materially and adversely the rights, powers and preferences of the Series A Holders or holders of the Voting Preferred Stock; and

(ii) to authorize, create or increase the authorized amount of, any class or series of Preferred Stock having rights senior to the Series A Preferred Stock with respect to the payment of dividends or amounts upon any Dissolution Event;

provided , however , that,

(X) in the case of subparagraph (i) above, no such vote of the Series A Preferred Stock or the Voting Preferred Stock, as the case may be, shall be required if in connection with any such amendment, alteration or repeal, by merger, consolidation or otherwise, each Series A Preferred Stock and Voting Preferred Stock remains Outstanding without the terms thereof being materially and adversely changed in any respect to the holders thereof or is converted into or exchanged for preferred equity securities of the surviving entity having the rights, powers and preferences thereof substantially similar to those of such Series A Preferred Stock or the Voting Preferred Stock, as the case may be;

(Y) in the case of subparagraph (i) above, if such amendment affects materially and adversely the rights, powers and preferences of one or more but not all of the classes or series of Voting Preferred Stock and the Series A Preferred Stock at the time Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all such classes or series of Voting Preferred Stock and the Series A Preferred Stock so affected, voting as a single class regardless of class or series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of (or, if such consent is required by law, in addition to) the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Voting Preferred Stock and the Series A Preferred Stock otherwise entitled to vote as a single class in accordance herewith; and

(Z) in the case of subparagraph (i) or (ii) above, no such vote of the Series A Holders or holders of the Voting Preferred Stock, as the case may be, shall be required if, at or prior to the time when such action is to take effect, provision is made for the redemption of all Series A Preferred Stock or Voting Preferred Stock, as the case may be, at the time Outstanding.

(d) For the purposes of this Section 21.07 , neither:

(i) the amendment of provisions of this Certificate of Incorporation so as to authorize or create or issue, or to increase the authorized amount of, any Junior Stock or any Parity Stock; nor

(ii) any merger, consolidation or otherwise, in which (1) the Corporation is the surviving entity and the Series A Preferred Stock remains Outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series A Preferred Stock for other preferred equity securities having rights, powers and preferences (including with respect to redemption thereof) substantially similar to that of the Series A Preferred Stock under this Certificate of Incorporation (except for changes that do not materially and adversely affect the Series A Preferred Stock considered as a whole) shall be deemed to materially and adversely affect the rights, powers and preferences of the Series A Preferred Stock or holders of Voting Preferred Stock.

(e) For purposes of the foregoing provisions of this Section 21.07 , each Series A Holder shall have one vote per share of Series A Preferred Stock, except that when any other series of Preferred Stock shall have the right to vote with the Series A Preferred Stock as a single class on any matter, then the Series A Holders and the holders of such other series of Preferred Stock shall have with respect to such matters one vote per $25.00 of stated liquidation preference.

(f) The Corporation may, from time to time, without notice to or consent of the Series A Holders or holders of other Parity Stock, issue additional shares of Series A Preferred Stock.

Section 21.08 Liquidation Rights .

(a) Upon any Dissolution Event, after payment or provision for the liabilities of the Corporation (including the expenses of such Dissolution Event) and the satisfaction of all claims ranking senior to the Series A Preferred Stock in accordance with Section 5.04 , the Series A Holders shall be entitled to receive out of the assets of the Corporation or proceeds thereof available for distribution to stockholders of the Corporation, before any payment or distribution of assets is made in respect of Junior Stock, distributions equal to the Series A Liquidation Value.

(b) If the assets of the Corporation available for distribution upon a Dissolution Event are insufficient to pay in full the aggregate amount payable to the Series A Holders and holders of all other Outstanding Parity Stock, if any, such assets shall be distributed to the Series A Holders and holders of such Parity Stock pro rata, based on the full respective distributable amounts to which each such holder is entitled pursuant to this Section 21.08 .

(c) Nothing in this Section 21.08 shall be understood to entitle the Series A Holders to be paid any amount upon the occurrence of a Dissolution Event until holders of any classes or series of stock ranking, as to the distribution of assets upon a Dissolution Event, senior to the Series A Preferred Stock have been paid all amounts to which such classes or series of stock are entitled.

(d) For the purposes of this Certificate of Incorporation, neither the sale, conveyance, exchange or transfer, for cash, stock, securities or other consideration, of all or substantially all of the Corporation's property or assets nor the consolidation, merger or amalgamation of the Corporation with or into any other entity or the consolidation, merger or amalgamation of any other entity with or into the Corporation shall be deemed to be a Dissolution Event, notwithstanding that for other purposes, such as for tax purposes, such an event may constitute a liquidation, dissolution or winding up. In addition, notwithstanding anything to the contrary in this Section 21.08 , no payment will be made to the Series A Holders pursuant to this Section 21.08 (i) upon the voluntary or involuntary liquidation, dissolution or winding up of any of the Corporation's Subsidiaries or upon any reorganization of the Corporation into another limited liability entity pursuant to the provisions of this Certificate of Incorporation that allow the Corporation to merge or convey its assets to another limited liability entity with or without approval of the stockholders of the Corporation (including a transaction pursuant to Section 8.03) or (ii) if the Corporation engages in a reorganization or other transaction in which a successor to the Corporation issues equity securities to the Series A Holders that have rights, powers and preferences that are substantially similar to the rights, powers and preferences of the Series A Preferred Stock pursuant to provisions of this Certificate of Incorporation that allow the Corporation to do so without approval of the stockholders of the Corporation.

Section 21.09 No Duties to Series A Holders . Notwithstanding anything to the contrary in this Certificate of Incorporation, t o the fullest extent permitted by law, neither the Class B Stockholder nor any other Indemnitee shall have any duties or liabilities to the Series A Holders.

ARTICLE XXII

TERMS OF SERIES B PREFERRED STOCK

Section 22.01 Designation . The Series B Preferred Stock is hereby designated and created as a series of Preferred Stock. Each share of Series B Preferred Stock shall be identical in all respects to every other share of Series B Preferred Stock. The Series B Preferred Stock is not "Designated Stock" for purposes of this Certificate of Incorporation. The Series B Preferred Stock ranks equally with the Series A Preferred Stock with respect to payment of dividends and distributions of assets upon a Dissolution Event.

Section 22.02 Definitions . The following terms apply only to this Article XXII of this Certificate of Incorporation.

" Below Investment Grade Rating Event " means (x) the rating on any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is lowered by either of the Rating Agencies in respect of a Change of Control and (y) any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is rated below Investment Grade by both Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended until the ratings are announced if during such 60-day period the rating of any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is under publicly announced consideration for possible downgrade by either of the Rating Agencies); provided , that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Event hereunder) if a Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Corporation in writing at the Corporation's request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

" Change of Control " means the occurrence of the following:

(i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the combined assets of the KKR Issuer Group taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than to a Continuing KKR Person; or

(ii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act or any successor provision), other than a Continuing KKR Person, becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act or any successor provision) of a majority of the controlling interests in (i) the Corporation or (ii) one or more of the Corporation, the Group Partnerships and any other entity that, as of the relevant time, is a guarantor to any series of KKR Senior Notes that together hold all or substantially all of the assets of the KKR Issuer Group taken as a whole.

" Change of Control Event " means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

" Continuing KKR Person " means, immediately prior to and immediately following any relevant date of determination, (i) an individual who (a) is an executive of the KKR Group, (b) devotes substantially all of his or her business and professional time to the activities of the KKR Group and (c) did not become an executive of the KKR Group or begin devoting substantially all of his or her business and professional time to the activities of the KKR Group in contemplation of a Change of Control, or (ii) any Person in which any one or more of such individuals directly or indirectly, singly or as a group, holds a majority of the controlling interests.

" Dividend Payment Date " means March 15, June 15, September 15 and December 15 of each year, commencing September 15, 2016.

" Dividend Period " means the period from and including a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period commences on and includes June 20, 2016.

" Fitch " means Fitch Ratings Inc. or any successor thereto.

" Investment Grade " means, with respect to Fitch, a rating of BBB- or better (or its equivalent under any successor rating categories of Fitch) and, with respect to S&P, a rating of BBB- or better (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate a series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, ceases to assign a long-term issuer rating to the Corporation) for reasons outside of the Corporation's control, the equivalent investment grade credit rating from any Rating Agency selected by the Board of Directors as a replacement Rating Agency).

" Junior Stock " means Common Stock and any other equity securities that the Corporation may issue in the future ranking, as to the payment of dividends and distributions of assets upon a Dissolution Event, junior to the Series B Preferred Stock.

" KKR Group " means the Group Partnerships, the direct and indirect parents (including, without limitation, general partners) of the Group Partnerships (the " Parent Entities "), any direct or indirect subsidiaries of the Parent Entities or the Group Partnerships, the general partner or similar controlling entities of any investment or vehicle that is managed, advised or sponsored by the KKR Group (a " KKR Fund "), and any other entity through which any of the foregoing directly or indirectly conduct its business, but shall exclude any company in which a KKR Fund has an investment. For purposes of this definition "subsidiary" means, with respect to any Person, any subsidiary of such Person that is or would be consolidated with such Person in the preparation of segment information with respect to the combined financial statements of such Person prepared in accordance with U.S. GAAP and shall not include (x) any private equity or other investment fund or vehicle or (y) any portfolio company of any such fund or vehicle.

" KKR Issuer Group " means the Corporation, the Group Partnerships and any other entity that, as of the relevant time, is a guarantor to any series of KKR Senior Notes, and their direct and indirect subsidiaries (to the extent of their economic ownership interest in such subsidiaries) taken as a whole. For purposes of this definition "subsidiary" means, with respect to any Person, any subsidiary of such Person that is or would be consolidated with such Person in the preparation of segment information with respect to the combined financial statements of such Person prepared in accordance with U.S. GAAP and shall not include (x) any private equity or other investment fund or vehicle or (y) any portfolio company of any such fund or vehicle.

" KKR Senior Notes " means (i) the 6.375% Senior Notes due 2020 issued by KKR Group Finance Co. LLC, (ii) the 5.500% Senior Notes due 2043 issued by KKR Group Finance Co. II LLC and (iii) the 5.125% Senior Notes due 2044 issued by KKR Group Finance Co. III LLC, or similar series of senior unsecured debt securities, and in each case, guaranteed by the Corporation and the Group Partnerships.

" Nonpayment " has the meaning set forth in Section 22.07(a) .

" Parity Stock " means any stock of the Corporation, including Preferred Stock, that the Corporation has authorized or issued or may authorize or issue, the terms of which provide that such securities shall rank equally with the Series B Preferred Stock with respect to payment of dividends and distribution of assets upon a Dissolution Event.

" Person " means, with respect to this Article XXII only, an individual, a corporation, a partnership, a limited liability company, an association, a trust, or any other entity including government or political subdivision or an agency or instrumentality thereof.

" Rating Agency " means:

(i) each of Fitch and S&P; and

(ii) if either of Fitch or S&P ceases to rate any series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, ceases to assign a long-term issuer rating to the Corporation) or fails to make a rating of any series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the long-term issuer rating of the Corporation) publicly available for reasons outside of the Corporation's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by the Board of Directors as a replacement agency for Fitch or S&P, or both, as the case may be.

" S&P " means Standard & Poor's Ratings Services, a division of McGraw-Hill Financial, Inc., or any successor thereto.

" Series B Dividend Rate " means 6.50%.

" Series B Holder " means a holder of Series B Preferred Stock.

" Series B Liquidation Preference " means $25.00 per share of Series B Preferred Stock.

" Series B Liquidation Value " means the sum of the Series B Liquidation Preference and declared and unpaid dividends, if any, to, but excluding, the date of the Dissolution Event on the Series B Preferred Stock.

" Series B Preferred Stock " means the 6.50% Series B Preferred Stock having the designations, rights, powers and preferences set forth in this Article XXII .

" Series B Record Date " means, with respect to any Dividend Payment Date, the March 1, June 1, September 1 or December 1, as the case may be, immediately preceding the relevant March 15, June 15, September 15 or December 15 Dividend Payment Date, respectively. These Series B Record Dates shall apply regardless of whether a particular Series B Record Date is a Business Day. The Series B Record Dates shall constitute Record Dates with respect to the Series B Preferred Stock for the purpose of dividends on the Series B Preferred Stock.

" Voting Preferred Stock " has the meaning set forth in Section 22.07(a) .

Section 22.03 Dividends .

(a) The Series B Holders shall be entitled to receive with respect to each share of Series B Preferred Stock owned by such holder, when, as and if declared by the Board of Directors, or a duly authorized committee thereof, in its sole discretion out of funds legally available therefor, non-cumulative quarterly cash dividends, on the applicable Dividend Payment Date that corresponds to the Record Date for which the Board of Directors has declared a dividend, if any, at a rate per annum equal to the Series B Dividend Rate (subject to Section 22.06(c)) of the Series B Liquidation Preference. Such dividends shall be non-cumulative. If a Dividend Payment Date is not a Business Day, the related dividend (if declared) shall be paid on the next succeeding Business Day with the same force and effect as though paid on such Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment. Dividends payable on the Series B Preferred Stock for any period less than a full Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Declared dividends will be payable on the relevant Dividend Payment Date to Series B Holders as they appear on the Corporation's register at the close of business, New York City time, on a Series B Record Date, provided that if the Series B Record Date is not a Business Day, the declared dividends will be payable on the relevant Dividend Payment Date to Series B Holders as they appear on the Corporation's register at the close of business, New York City time on the Business Day immediately preceding such Series B Record Date.

(b) So long as any shares of Series B Preferred Stock are Outstanding, unless, in each case, dividends have been declared and paid or declared and set apart for payment on the Series B Preferred Stock for a quarterly Dividend Period, (i) no dividend, whether in cash or property, may be declared or paid or set apart for payment on the Junior Stock for the remainder of that quarterly Dividend Period (other than dividends paid in Junior Stock or options, warrants or rights to subscribe for or purchase Junior Stock) and (ii) the Corporation and its Subsidiaries shall not directly or indirectly repurchase, redeem or otherwise acquire for consideration any Junior Stock.

(c) The Board of Directors, or a duly authorized committee thereof, may, in its sole discretion, choose to pay dividends on the Series B Preferred Stock without the payment of any dividends on any Junior Stock.

(d) When dividends are not declared and paid (or duly provided for) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates pertaining to the Series B Preferred Stock, on a dividend payment date falling within the related Dividend Period) in full upon the Series B Preferred Stock or any Parity Stock, all dividends declared upon the Series B Preferred Stock and all such Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the related Dividend Period) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all declared and unpaid dividends per share on the Series B Preferred Stock and all unpaid dividends, including any accumulations, on all Parity Stock payable on such Dividend Payment Date (or in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates pertaining to the Series B Preferred Stock, on a dividend payment date falling within the related Dividend Period) bear to each other.

(e) No dividends may be declared or paid or set apart for payment on any Series B Preferred Stock if at the same time any arrears exist or default exists in the payment of dividends on any Outstanding stock of the Corporation ranking, as to the payment of dividends and distribution of assets upon a Dissolution Event, senior to the Series B Preferred Stock, subject to any applicable terms of such Outstanding stock of the Corporation.

(f) Series B Holders shall not be entitled to any dividends, whether payable in cash or property, other than as provided in this Certificate of Incorporation and shall not be entitled to interest, or any sum in lieu of interest, in respect of any dividend payment, including any such payment which is delayed or foregone.

Section 22.04 Rank .

The Series B Preferred Stock shall rank, with respect to payment of dividends and distribution of assets upon a Dissolution Event:

(a) junior to all of the Corporation's existing and future indebtedness and any equity securities, including Preferred Stock, that the Corporation may authorize or issue, the terms of which provide that such securities shall rank senior to the Series B Preferred Stock with respect to payment of dividends and distribution of assets upon a Dissolution Event;

(b) equally to any Parity Stock; and

(c) senior to any Junior Stock.

Section 22.05 Optional Redemption .

(a) Except as set forth in Section 22.06 , the Series B Preferred Stock shall not be redeemable prior to September 15, 2021. At any time or from time to time on or after September 15, 2021, subject to any limitations that may be imposed by law, the Corporation may, in the sole discretion of the Board of Directors, redeem the Series B Preferred Stock, out of funds legally available therefor, in whole or in part, at a redemption price equal to the Series B Liquidation Preference per share of Series B Preferred Stock plus an amount equal to declared and unpaid dividends, if any, from the Dividend Payment Date immediately preceding the redemption date to, but excluding, the redemption date. If less than all of the Outstanding Series B Preferred Stock are to be redeemed, the Board of Directors shall select the Series B Preferred Stock to be redeemed from the Outstanding Series B Preferred Stock not previously called for redemption by lot or pro rata (as nearly as possible).

(b) In the event the Corporation shall redeem any or all of the Series B Preferred Stock as aforesaid in Section 22.05(a) , the Corporation shall give notice of any such redemption to the Series B Holders (which such notice may be delivered prior to September 15, 2021) not more than 60 nor less than 30 days prior to the date fixed for such redemption. Failure to give notice to any Series B Holder shall not affect the validity of the proceedings for the redemption of any Series B Preferred Stock being redeemed.

(c) Notice having been given as herein provided and so long as funds legally available and sufficient to pay the redemption price for all of the Series B Preferred Stock called for redemption have been set aside for payment, from and after the redemption date, such Series B Preferred Stock called for redemption shall no longer be deemed Outstanding, and all rights of the Series B Holders thereof shall cease other than the right to receive the redemption price, without interest.

(d) The Series B Holders shall have no right to require redemption of any Series B Preferred Stock.

(e) Without limiting Section 22.05(c), if the Corporation shall deposit, on or prior to any date fixed for redemption of Series B Preferred Stock (pursuant to notice delivered in accordance with Section 22.05(b)), with any bank or trust company as a trust fund, a fund sufficient to redeem the Series B Preferred Stock called for redemption, with irrevocable instructions and authority to such bank or trust company to pay on and after the date fixed for redemption or such earlier date as the Board of Directors may determine, to the respective Series B Holders, the redemption price thereof, then from and after the date of such deposit (although prior to the date fixed for redemption) such Series B Preferred Stock so called shall be deemed to be redeemed and such deposit shall be deemed to constitute full payment of said Series B Preferred Stock to the holders thereof and from and after the date of such deposit said Series B Preferred Stock shall no longer be deemed to be Outstanding, and the holders thereof shall cease to be holders with respect to such Series B Preferred Stock, and shall have no rights with respect thereto except only the right to receive from said bank or trust company, on the redemption date or such earlier date as the Board of Directors may determine, payment of the redemption price of such Series B Preferred Stock without interest.

Section 22.06 Change of Control Redemption.

(a) If a Change of Control Event occurs prior to September 15, 2021, within 60 days of the occurrence of such Change of Control Event, the Corporation may, in the sole discretion of the Board of Directors, redeem the Series B Preferred Stock, in whole but not in part, out of funds legally available therefor, at a redemption price equal to $25.25 per share of Series B Preferred Stock plus an amount equal to any declared and unpaid dividends to, but excluding, the redemption date.

(b) In the event the Corporation elects to redeem all of the Series B Preferred Stock as aforesaid in Section 22.06(a), the Corporation shall give notice of any such redemption to the Series B Holders at least 30 days prior to the date fixed for such redemption.

(c) If (i) a Change of Control Event occurs (whether before, on or after September 15, 2021) and (ii) the Corporation does not give notice to the Series B Holders prior to the 31st day following the Change of Control Event to redeem all the Outstanding Series B Preferred Stock, the Series B Dividend Rate shall increase by 5.00%, beginning on the 31st day following the consummation of such Change of Control Event.

(d) In connection with any Change of Control and any particular reduction in the rating on a series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, a reduction in the Corporation's long-term issuer rating), the Board of Directors shall request from the Rating Agencies each such Rating Agency's written confirmation whether such reduction in the rating on each such series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of any Below Investment Grade Rating Event).

(e) The Series B Holders shall have no right to require redemption of any Series B Preferred Stock pursuant to this Section 22.06 .

Section 22.07 Voting .

(a) Notwithstanding any provision in this Certificate of Incorporation to the contrary, and except as set forth in this Section 22.07 , the Series B Preferred Stock shall not have any relative, participating, optional or other voting, consent or approval rights or powers, and the vote, consent or approval of the Series B Holders shall not be required for the taking of any action or inaction by the Corporation. If and whenever six quarterly dividends (whether or not consecutive) payable on the Series B Preferred Stock or six quarterly dividends (whether or not consecutive) payable on any series or class of Parity Stock have not been declared and paid (a " Nonpayment "), the number of directors then constituting the Board of Directors automatically shall be increased by two and the Series B Holders, voting together as a single class with the holders of any other class or series of Parity Stock then Outstanding upon which like voting rights have been conferred and are exercisable (any such other class or series, " Voting Preferred Stock "), shall have the right to elect these two additional directors at a meeting of the Series B Holders and the holders of such Voting Preferred Stock called as hereafter provided. When quarterly dividends have been declared and paid on the Series B Preferred Stock for four consecutive Dividend Periods following the Nonpayment, then the right of the Series B Holders and the holders of such Voting Preferred Stock to elect such two additional directors shall cease and all directors elected by the Series B Holders and holders of the Voting Preferred Stock shall forthwith cease to be qualified and their terms shall forthwith terminate immediately and the number of directors constituting the whole Board of Directors automatically shall be reduced by two. However, the right of the Series B Holders and the holders of the Voting Preferred Stock to elect two additional directors on the Board of Directors shall again vest if and whenever six additional quarterly dividends have not been declared and paid, as described above.

(b) If a Nonpayment or a subsequent Nonpayment shall have occurred, the Secretary of the Corporation may, and upon the written request of any holder of Series B Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the Series B Holders and holders of the Voting Preferred Stock for the election of the two directors to be elected by them. The directors elected at any such special meeting shall hold office until the next annual meeting or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. The Board of Directors shall, in its sole discretion, determine a date for a special meeting applying procedures consistent with Article XVII in connection with the expiration of the term of the two directors elected pursuant to this Section 22.07 . The Series B Holders and holders of the Voting Preferred Stock, voting together as a class, may remove any director elected by the Series B Holders and holders of the Voting Preferred Stock pursuant to this Section 22.07 . If any vacancy shall occur among the directors elected by the Series B Holders and holders of the Voting Preferred Stock, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by the Series B Holders and holders of the Voting Preferred Stock or the successor of such remaining director, to serve until the next special meeting (convened as set forth in the immediately preceding sentence) held in place thereof if such office shall not have previously terminated as above provided. Except to the extent expressly provided otherwise in this Section 22.07 , any such annual or special meeting shall be called and held applying procedures consistent with Article XVII as if references to stockholders of the Corporation were references to Series B Holders and holders of Voting Preferred Stock.

(c) Notwithstanding anything to the contrary in Article VIII , XI or XVII but subject to Section 22.07(d) , so long as any shares of Series B Preferred Stock are Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Series B Holders and holders of the Voting Preferred Stock, at the time Outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary:

(i) to amend, alter or repeal any of the provisions of this Article XXII relating to the Series B Preferred Stock or any series of Voting Preferred Stock, whether by merger, consolidation or otherwise, to affect materially and adversely the rights, powers and preferences of the Series B Holders or holders of the Voting Preferred Stock; and

(ii) to authorize, create or increase the authorized amount of, any class or series of Preferred Stock having rights senior to the Series B Preferred Stock with respect to the payment of dividends or amounts upon any Dissolution Event;

provided , however , that,

(X) in the case of subparagraph (i) above, no such vote of the Series B Preferred Stock or the Voting Preferred Stock, as the case may be, shall be required if in connection with any such amendment, alteration or repeal, by merger, consolidation or otherwise, each Series B Preferred Stock and Voting Preferred Stock remains Outstanding without the terms thereof being materially and adversely changed in any respect to the holders thereof or is converted into or exchanged for preferred equity securities of the surviving entity having the rights, powers and preferences thereof substantially similar to those of such Series B Preferred Stock or the Voting Preferred Stock, as the case may be;

(Y) in the case of subparagraph (i) above, if such amendment affects materially and adversely the rights, powers and preferences of one or more but not all of the classes or series of Voting Preferred Stock and the Series B Preferred Stock at the time Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all such classes or series of Voting Preferred Stock and the Series B Preferred Stock so affected, voting as a single class regardless of class or series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of (or, if such consent is required by law, in addition to) the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Voting Preferred Stock and the Series B Preferred Stock otherwise entitled to vote as a single class in accordance herewith; and

(Z) in the case of subparagraph (i) or (ii) above, no such vote of the Series B Holders or holders of the Voting Preferred Stock, as the case may be, shall be required if, at or prior to the time when such action is to take effect, provision is made for the redemption of all Series B Preferred Stock or Voting Preferred Stock, as the case may be, at the time Outstanding.

(d) For the purposes of this Section 22.07 , neither:

(i) the amendment of provisions of this Certificate of Incorporation so as to authorize or create or issue, or to increase the authorized amount of, any Junior Stock or any Parity Stock; nor

(ii) any merger, consolidation or otherwise, in which (1) the Corporation is the surviving entity and the Series B Preferred Stock remains Outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series B Preferred Stock for other preferred equity securities having rights, powers and preferences (including with respect to redemption thereof) substantially similar to that of the Series B Preferred Stock under this Certificate of Incorporation (except for changes that do not materially and adversely affect the Series B Preferred Stock considered as a whole) shall be deemed to materially and adversely affect the rights, powers and preferences of the Series B Preferred Stock or holders of Voting Preferred Stock.

(e) For purposes of the foregoing provisions of this Section 22.07 , each Series B Holder shall have one vote per share of Series B Preferred Stock, except that when any other series of Preferred Stock shall have the right to vote with the Series B Preferred Stock as a single class on any matter, then the Series B Holders and the holders of such other series of Preferred Stock shall have with respect to such matters one vote per $25.00 of stated liquidation preference.

(f) The Corporation may, from time to time, without notice to or consent of the Series B Holders or holders of other Parity Stock, issue additional shares of Series B Preferred Stock.

(g) The foregoing provisions of this Section 22.07 will not apply if, at or prior to the time when the act with respect to which a vote pursuant to this Section 22.07 would otherwise be required shall be effected, the Series B Preferred Stock shall have been redeemed.

Section 22.08 Liquidation Rights .

(a) Upon any Dissolution Event, after payment or provision for the liabilities of the Corporation (including the expenses of such Dissolution Event) and the satisfaction of all claims ranking senior to the Series B Preferred Stock in accordance with Section 5.04 , the Series B Holders shall be entitled to receive out of the assets of the Corporation or proceeds thereof available for distribution to stockholders of the Corporation, before any payment or distribution of assets is made in respect of Junior Stock, distributions equal to the Series B Liquidation Value.

(b) If the assets of the Corporation available for distribution upon a Dissolution Event are insufficient to pay in full the aggregate amount payable to the Series B Holders and holders of all other Outstanding Parity Stock, if any, such assets shall be distributed to the Series B Holders and holders of such Parity Stock pro rata, based on the full respective distributable amounts to which each such holder is entitled pursuant to this Section 22.08 .

(c) Nothing in this Section 22.08 shall be understood to entitle the Series B Holders to be paid any amount upon the occurrence of a Dissolution Event until holders of any classes or series of stock ranking, as to the distribution of assets upon a Dissolution Event, senior to the Series B Preferred Stock have been paid all amounts to which such classes or series of stock are entitled.

(d) For the purposes of this Certificate of Incorporation, neither the sale, conveyance, exchange or transfer, for cash, stock, securities or other consideration, of all or substantially all of the Corporation's property or assets nor the consolidation, merger or amalgamation of the Corporation with or into any other entity or the consolidation, merger or amalgamation of any other entity with or into the Corporation shall be deemed to be a Dissolution Event, notwithstanding that for other purposes, such as for tax purposes, such an event may constitute a liquidation, dissolution or winding up. In addition, notwithstanding anything to the contrary in this Section 22.08 , no payment will be made to the Series B Holders pursuant to this Section 22.08 (i) upon the voluntary or involuntary liquidation, dissolution or winding up of any of the Corporation's Subsidiaries or upon any reorganization of the Corporation into another limited liability entity pursuant to the provisions of this Certificate of Incorporation that allow the Corporation to convert, merge or convey its assets to another limited liability entity with or without approval of the stockholders of the Corporation (including a transaction pursuant to Section 8.03) or (ii) if the Corporation engages in a reorganization or other transaction in which a successor to the Corporation issues equity securities to the Series B Holders that have rights, powers and preferences that are substantially similar to the rights, powers and preferences of the Series B Preferred Stock pursuant to provisions of this Certificate of Incorporation that allow the Corporation to do so without approval of the stockholders of the Corporation. Notwithstanding any provision to the contrary in this Article XXII (including Section 22.07), the Board of Directors may, in its sole discretion and without the consent of any Series B Holder, amend this Article XXII to allow for the transactions in this Section 22.08(d) .

Section 22.09 No Duties to Series B Holders . Notwithstanding anything to the contrary in this Certificate of Incorporation, to the fullest extent permitted by law, neither the Class B Stockholder nor any other Indemnitee shall have any duties or liabilities to the Series B Holders.

Section 22.10 Forum Selection . Each Person that holds or has held a share of Series B Preferred Stock and each Person that holds or has held any beneficial interest in a share of Series B Preferred Stock (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise), to the fullest extent permitted by law, (i) irrevocably agrees that any claims, suits, actions or proceedings against the Corporation, or any director, officer, employee, control person, underwriter or agent of the Corporation asserted under United States federal securities laws, otherwise arising under such laws, or that could have been asserted as a claim arising under such laws, shall be exclusively brought in the federal district courts of the United States of America (except, and only to the extent, that any such claims, actions or proceedings are of a type for which a stockholder may not waive its right to maintain a legal action or proceeding in the courts of the State of Delaware with respect to matters relating to internal corporate claims of the Corporation as set forth under Section 115 of the DGCL); (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; and (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper.

ARTICLE XXIII

DEFINITIONS

Section 23.01 Definitions . The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Certificate of Incorporation:

" Affiliate " means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question.

" Associate " means, when used to indicate a relationship with any Person, (a) any corporation, other entity or organization of which such Person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock or other voting interest; (b) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same principal residence as such Person.

" beneficial owner " has the meaning assigned to such term in Rules 13d-3 and 13d-5 under the Exchange Act (and "beneficially own" and "beneficial ownership" shall each have a correlative meaning).

" Board of Directors " has the meaning assigned to such term in Section 4.02 .

" Business Day " means each day that is not a Saturday, Sunday or other day on which banking institutions in New York City are authorized or required by law to close.

" Bylaws " means the bylaws of the Corporation as in effect from time to time.

" Certificate " means a certificate issued in global form in accordance with the rules and regulations of the Depositary or in such other form as may be adopted by the Board of Directors, issued by the Corporation evidencing ownership of one or more shares of Class A Common Stock or Preferred Stock or a certificate, in such form as may be adopted by the Board of Directors, issued by the Corporation evidencing ownership of one or more other classes of stock of the Corporation.

" Class A Common Stock " has the meaning assigned to such term in Section 4.01(a)(i) .

" Class B Common Stock " has the meaning assigned to such term in Section 4.01(a)(ii) .

" Class B Stockholder " means KKR Management LLC and any successor or permitted assign that owns the Class B Common Stock at the applicable time.

" Class C Common Stock " has the meaning assigned to such term in Section 4.01(a)(iii) .

" Closing Price " has the meaning assigned to such term in Section 9.01(a) .

" Code " means the U.S. Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

" Commission " means the U.S. Securities and Exchange Commission.

" Common Stock " has the meaning assigned to such term in Section 4.01(a)(iii) .

" Common Unit " has the meaning assigned to such term in the Partnership Agreement.

" Conflicts Committee " means a committee of the Board of Directors composed entirely of one or more directors who meet the independence standards (but not, for the avoidance of doubt, the financial literacy or financial expert qualifications) required to serve on an audit committee of a board of directors established by the Exchange Act and the rules and regulations of the Commission thereunder and by the National Securities Exchange on which the Class A Common Stock is listed for trading.

" Contribution and Indemnification Agreement " means any contribution and indemnification agreement among each of the Group Partnerships and the other parties thereto providing for the transfer by such other parties to the Group Partnerships of all or part of the amounts borne by the Group Partnerships, directly or indirectly, with respect to any "carried interest" or similar profit interest distributed by a Fund pursuant to the obligation of the general partner of a Fund to return such amounts to the Fund.

" Control " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ability to exercise voting power, by contract or otherwise.

" Conversion " has the meaning assigned to such term in Article III .

" Corporate Group " means the Corporation and its Subsidiaries treated as a single consolidated entity.

" Corporation " has the meaning assigned to such term in Article I .

" Current Market Price " has the meaning assigned to such term in Section 9.01(a) .

" Depositary " means, with respect to any shares of stock issued in global form, The Depository Trust Company and its successors and permitted assigns.

" Designated Stock " means the Class A Common Stock, the Class C Common Stock and any other stock of the Corporation that is designated as "Designated Stock" from time to time pursuant to this Certificate of Incorporation or any certificate of designation relating to any series of Preferred Stock.

" DGCL " means the Delaware General Corporation Law, as the same exists or as may hereafter be amended from time to time.

" Dissolution Event " means an event giving rise to the dissolution, liquidation or winding up of the Corporation.

" Effective Time " means 12:01 a.m. (Eastern Time) on July 1, 2018.

" Exchange Act " means the U.S. Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute.

" Exchange Agreement " means the amended and restated exchange agreement, dated as of November 2, 2010, among Group Partnership I, Group Partnership II, Group Partnership III, KKR Holdings, the Partnership, KKR Group Holdings L.P., KKR Subsidiary Partnership L.P. and KKR Group Limited, as it may be amended, supplemented or restated from time to time.

" Fiscal Year " has the meaning assigned to such term in Section 18.02 .

" Former Managing Partner " means KKR Management LLC in its capacity as the former general partner of the Partnership.

" Fund ", for purposes of Section 16.01(a) , has the meaning assigned to such term in Section 16.01(a) .

" Group " means a Person that with or through any of its Affiliates or Associates has any contract, arrangement, understanding or relationship for the purpose of acquiring, holding, voting, exercising investment power or disposing of any stock of the Corporation with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, stock of the Corporation.

" Group Member " means a member of the Corporate Group.

" Group Partnership I " means KKR Management Holdings L.P., a Delaware limited partnership, and any successor thereto.

" Group Partnership II " means KKR Fund Holdings L.P., a Cayman limited partnership, and any successor thereto.

" Group Partnership III " means KKR International Holdings L.P., a Cayman limited partnership, and any successor thereto.

" Group Partnership Agreements " means, collectively, the Amended and Restated Limited Partnership Agreement of Group Partnership I, the Amended and Restated Limited Partnership Agreement of Group Partnership II and the Amended and Restated Limited Partnership Agreement of Group Partnership III (and the partnership agreement then in effect of any future partnership designated by the Board of Directors as a Group Partnership), as they may each be amended, supplemented or restated from time to time.

" Group Partnership Unit " means, collectively, one Class A partnership unit in each of Group Partnership I, Group Partnership II and Group Partnership III (and any future partnership designated by the Board of Directors as a Group Partnership) issued under its respective Group Partnership Agreement.

" Group Partnerships " means, collectively, Group Partnership I, Group Partnership II and Group Partnership III (and any future partnership designated by the Board of Directors as a Group Partnership).

" Indemnitee " means, to the fullest extent permitted by law, (a) the Class B Stockholder, (b) the Former Managing Partner, (c) any Person who is or was an Affiliate of the Class B Stockholder or the Former Managing Partner, (d) any Person who is or was a member, partner, Tax Matters Partner (as defined in the Code as in effect prior to 2018), Partnership Representative (as defined in the Code), officer, director, employee, agent, fiduciary or trustee of any Group Member, any Group Partnership, the Corporation and its Subsidiaries, the Class B Stockholder or the Former Managing Partner or any Affiliate of any Group Member, the Class B Stockholder or the Former Managing Partner, (e) any Person who is or was serving at the request of the Corporation or the Former Managing Partner or any Affiliate of the Corporation or the Former Managing Partner as an officer, director, employee, member, partner, Tax Matters Partner, Partnership Representative, agent, fiduciary or trustee of another Person; provided that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis or similar arms-length compensatory basis, agency, advisory, consulting, trustee, fiduciary or custodial services and (f) any Person the Corporation in its sole discretion designates as an "Indemnitee" as permitted by applicable law.

" Independent Directors " means the members of the Board of Directors who are "independent" as that term is defined in the rules of the New York Stock Exchange from time to time.

" Investment Agreement " means the amended and restated investment agreement between the Partnership, KKR & Co. (Guernsey) L.P., a Guernsey limited partnership, formerly known as KKR Private Equity Investors, L.P., and the other parties thereto, dated October 1, 2009, as amended from time to time.

" KKR Associates Holdings " means KKR Associates Holdings L.P., a Cayman limited partnership, and any successor thereto.

" KKR Holdings " means KKR Holdings L.P., a Cayman limited partnership, and any successor thereto.

" KKR Intermediate Partnership " means KKR Intermediate Partnership L.P., a Cayman limited partnership, or any successor thereto.

" KKR Management LLC " means KKR Management LLC, a Delaware limited liability company, or any successor thereto.

" Limited Partner Interest " has the meaning assigned to such term in the Partnership Agreement.

" Majority in Interest of the Class B Stockholder " means a majority in interest of Class A members of KKR Management LLC (or persons deemed to represent such interest) or, with respect to any other successor entity that becomes the Class B Stockholder, a majority of the common equity interests of such successor entity.

" Managing Partner Interest " has the meaning assigned to such term in the Partnership Agreement.

" Managing Partner Unit " has the meaning assigned to such term in the Partnership Agreement.

" Merger Agreement " has the meaning assigned to such term in Section 8.01 .

" National Securities Exchange " means an exchange registered with the Commission under Section 6(a) of the Exchange Act or any successor thereto and any other securities exchange (whether or not registered with the Commission under Section 6(a) of the Exchange Act) that the Board of Directors shall designate as a National Securities Exchange for purposes of this Certificate of Incorporation and the Bylaws.

" Notice of Election to Purchase " has the meaning assigned to such term in Section 9.01(b) .

" Opinion of Counsel " means a written opinion of counsel acceptable to the Board of Directors in its discretion.

" Outstanding " means, with respect to stock of the Corporation, all shares of stock that are issued by the Corporation and reflected as outstanding on the Corporation's books and records as of the date of determination; provided , however , that if at any time any Person or Group (other than the Class B Stockholder or its Affiliates) beneficially owns 20% or more of any class of stock, all such shares of stock owned by such Person or Group shall not be entitled to be voted on any matter and shall not be considered to be Outstanding when sending notices of a meeting of stockholders of the Corporation to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Certificate of Incorporation (such shares of stock shall not, however, be treated as a separate class of stock for purposes of this Certificate of Incorporation); provided further , that the foregoing limitation shall not apply (i) to any Person or Group who acquired 20% or more of any shares of stock of any class then Outstanding directly from the Class B Stockholder or its Affiliates, (ii) to any Person or Group who acquired 20% or more of any shares of stock of any class then Outstanding directly or indirectly from a Person or Group described in clause (i) provided that the Board of Directors shall have notified such Person or Group in writing that such limitation shall not apply or (iii) to any Person or Group who acquired 20% or more of any such shares of stock with the prior approval of the Board of Directors. The determinations of the matters described in clauses (i), (ii) and (iii) of the foregoing sentence shall be conclusively determined by the Board of Directors, which determination shall be final and binding on all stockholders of the Corporation.

" Partnership " has the meaning assigned to such term in Article III .

" Partnership Agreement " means that certain Third Amended and Restated Limited Partnership Agreement of the Partnership, dated as of June 20, 2016.

" Person " means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association (including any group, organization, co-tenancy, plan, board, council or committee), government (including a country, state, county, or any other governmental or political subdivision, agency or instrumentality thereof) or other entity (or series thereof).

" Preferred Stock " has the meaning set forth in Section 4.01(a)(iv) .

" Purchase Date " means the date determined by the Corporation as the date for purchase of all Outstanding stock of a certain class (other than shares owned by the Class B Stockholder and its Affiliates) pursuant to Article IX .

" Record Date " means the date and time established by the Board of Directors pursuant to the Bylaws. The Record Date for distributions on any Preferred Stock is as set forth in this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock).

" Record Holder " means the Person in whose name a share of stock of the Corporation is registered on the books of the Corporation or, if such books are maintained by the Transfer Agent, on the books of the Transfer Agent, in each case, to the extent applicable, as of the Record Date.

" Registration Statement " shall have the meaning set forth in the Investment Agreement.

" Securities Act " means the U.S. Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute.

" Series A Preferred Stock " has the meaning set forth in Section 4.01(a)(iv) .

" Series A Preferred Unit " has the meaning set forth in the Partnership Agreement.

" Series B Preferred Stock " has the meaning set forth in Section 4.01(a)(iv) .

" Series B Preferred Unit " has the meaning set forth in the Partnership Agreement.

" Special Voting Unit " has the meaning set forth in the Partnership Agreement.

" Subsidiary " means, other than for purposes of Section 10.03 , with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person or (d) any other Person the financial information of which is consolidated by such Person for financial reporting purposes under U.S. GAAP.

" Trading Day " has the meaning assigned to such term in Section 9.01(a) .

" transfer ", when used in this Certificate of Incorporation with respect to shares of stock of the Corporation, has the meaning assigned to such term in Section 6.04(a) .

" Transfer Agent " means such bank, trust company or other Person (including the Class B Stockholder or one of its Affiliates) as shall be appointed from time to time by the Board of Directors to act as registrar and transfer agent for the Class A Common Stock and the Preferred Stock.

" U.S. GAAP " means U.S. generally accepted accounting principles consistently applied.

ARTICLE XXIV

INCORPORATOR

The incorporator of the Corporation is KKR Management LLC, a Delaware limited liability company, whose mailing address is 9 West 57th Street, New York, New York 10019.

ARTICLE XXV

MISCELLANEOUS

Section 25.01 Invalidity of Provisions . If any provision of this Certificate of Incorporation is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 25.02 Construction; Section Headings . For purposes of this Certificate of Incorporation, unless the context otherwise requires, (i) references to "Articles", "Sections" and "clauses" refer to articles, sections and clauses of this Certificate of Incorporation and (ii) the term "include" or "includes" means includes, without limitation, and "including" means including, without limitation. Section headings in this Certificate of Incorporation are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

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This Certificate of Incorporation shall become effective at 12:01 a.m. (Eastern Time) on July 1, 2018.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the undersigned incorporator hereby acknowledges that the foregoing Certificate of Incorporation is its act and deed on this 3rd day of May, 2018.

KKR MANAGEMENT LLC

By: _____
Name: David J. Sorkin
Title: Secretary

EXHIBIT C

Bylaws

BYLAWS

OF

KKR & CO. INC.

(Effective July 1, 2018)

ARTICLE I

OFFICES

Section 1.01 Registered Office . The registered office and registered agent of KKR & Co. Inc. (the " Corporation ") shall be as set forth in the Certificate of Incorporation of the Corporation (as in effect from time to time, the " Certificate of Incorporation "). The Corporation may also have offices in such other places in the United States or elsewhere as the Board of Directors of the Corporation (the " Board of Directors ") may, from time to time, determine or as the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 2.01 Annual Meetings . If required, annual meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, on such date and at such time as the Board of Directors shall determine. The Board of Directors may, in its sole discretion, determine that annual meetings of stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Section 211(a)(2) of the DGCL. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

Section 2.02 Special Meetings . Special meetings of stockholders may only be called in the manner provided in the Certificate of Incorporation and may be held at such place, if any, either within or without the State of Delaware, on such date and at such time, and for such purpose or purposes, as the Board of Directors shall determine and state in the notice of meeting, if any. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors subject to the requirements of the Certificate of Incorporation.

Section 2.03 Notice of Stockholder Business and Nominations .

(a) Nominations of Persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (i) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 2.04 , (ii) by or at the direction of the Board of Directors or any authorized committee thereof or (iii) by the Class B Stockholder.

(b) Notwithstanding Section 2.03(a) , if at any time applicable law provides stockholders of the Corporation other than the Class B Stockholder the right to propose business to be brought before a meeting of stockholders at an annual meeting, then any such stockholder may bring any such business before such meeting only if such stockholder (i) is entitled to vote at the annual meeting on the proposal of such business, (ii) has complied with the notice procedures set forth in paragraphs (c) and (d) of this Section 2.03, (iii) was a stockholder of record as of the time such notice is delivered to the Secretary of the Corporation and as of the Record Date for notice and voting at the annual meeting and (iv) is a stockholder of record as of the date of the annual meeting. Nothing in this Section 2.03 shall be deemed to provide any voting or other rights or powers to the stockholders of the Corporation, but shall instead set forth the procedures and requirements applicable to stockholders of the Corporation other than the Class B Stockholder with respect to bringing business before an annual meeting in circumstances in which they are entitled by law to do so.

(c) For business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.03(b) , the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such business must constitute a proper matter for action by stockholders. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after the effective date of these Bylaws, be deemed to have occurred on July 1, 2018); provided , however , that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 70 days, from the anniversary date of the previous year's meeting, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than 120 days prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice.

(d) Such stockholder's notice shall set forth (a) a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration), the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books and records, and of such beneficial owner, (ii) the class or series and number of shares of stock of the Corporation which are owned, directly or indirectly, beneficially and of record by such stockholder and such beneficial owner, (iii) a representation that the stockholder (x) is a holder of record of the stock of the Corporation at the time of the giving of the notice, (y) will be entitled to vote at such meeting on the proposal of such business such stockholder intends to bring before the annual meeting and (z) will appear in person or by proxy at the annual meeting to propose such business, (iv) a representation whether the stockholder or the beneficial owner, if any, will be or is part of a group which will (x) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding stock required to approve or adopt the proposal and/or (y) otherwise solicit proxies or votes from stockholders in support of such proposal, (v) a certification regarding whether such stockholder and beneficial owner, if any, have complied with all applicable federal, state and other legal requirements in connection with the stockholder's and/or beneficial owner's acquisition of shares of stock or other securities of the Corporation and/or the stockholder's and/or beneficial owner's acts or omissions as a stockholder of the Corporation and (vi) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal. A stockholder providing notice of business proposed to be brought before an annual meeting shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct.

(e) Except as provided in Sections 2.03(g) , 2.03(h) and 3.02 , only such Persons who are nominated in accordance with the procedures set forth in Section 2.03(a) shall be eligible to serve as directors and only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the Board of Directors or the chairman of the meeting shall, in addition to making any other determination that may be appropriate for the conduct of the annual meeting of stockholders, have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 2.03 , unless otherwise required by law, if the stockholder making a proposal (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present such business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.03 , to be considered a qualified representative of the stockholder, a Person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the annual meeting of stockholders and such Person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the annual meeting of stockholders.

(f) For purposes of this Section 2.03 , public announcement may be made by any means permitted by applicable law, including disclosure in a press release, on the website of the Corporation or in a document publicly filed with the Commission pursuant to the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Notwithstanding the foregoing provisions of this Section 2.03 , a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.03 ; provided , however , that, to the fullest extent permitted by law, any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to proposals as to any business to be considered pursuant to these Bylaws, and compliance with Section 2.03(b) shall be the exclusive means for a stockholder other than the Class B Stockholder to submit business to the extent permitted pursuant to Section 2.03(b) .

(h) Notwithstanding anything to the contrary contained in the provisions of this Section 2.03 , the Class B Stockholder shall not be subject to the notice procedures or other requirements set forth in this Section 2.03 .

Section 2.04 Notice of Meetings . If required by law, whenever stockholders are required to take any action at an annual or special meeting of stockholders, a timely notice in writing or by electronic transmission of the meeting, which shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the Record Date for determining the stockholders entitled to vote at the meeting, if such date is different from the Record Date for determining stockholders entitled to notice of the meeting, shall be mailed to or transmitted electronically by the Secretary of the Corporation to each stockholder of record entitled to vote thereat as of the Record Date for determining the stockholders entitled to notice of the meeting. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, any such notice shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the Record Date for determining the stockholders entitled to notice of the meeting.

Section 2.05 Inspectors of Election . The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more Persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the Person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of stock of the Corporation Outstanding and the voting power of each such share, (ii) determine the shares of stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No Person who is a candidate for an office at an election may serve as an inspector at such election.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01 Powers . The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not directed or required by the DGCL or the Certificate of Incorporation to be exercised or done by the stockholders. The Board of Directors shall not be responsible for the day-to-day business, operations and affairs of the Subsidiaries and Advised Entities, including transactions entered into by a Subsidiary or an Advised Entity in the ordinary course. Solely for purposes of this Section 3.01 , the following definitions shall be applied to the terms used in this Section 3.01 :

" Advised Entity " means any fund or vehicle that is advised, sponsored, raised or managed by the Corporation or its Affiliates or any portfolio investment of any such fund or vehicle.

" Subsidiary " of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified, each reference to a Subsidiary will refer to a Subsidiary of the Corporation (which shall be deemed to include the Group Partnerships and their Subsidiaries), but shall exclude any Advised Entity, irrespective of whether such Advised Entity is consolidated in the financial statements of the Corporation or such Affiliate.

Section 3.02 Number of Directors; Removal; Vacancies and Newly Created Directorships . Subject to the rights of holders of Preferred Stock, the Class B Stockholder shall have full authority unilaterally to approve the number of directors to constitute the Board of Directors (which number of directors may be increased or decreased solely by the Class B Stockholder). Subject to any limitations then set forth in the Certificate of Incorporation, and other than with respect to any directors elected solely by the holders of Preferred Stock, the Class B Stockholder shall have full authority unilaterally to remove and replace any director, with or without cause, at any time and for any reason or no reason. Except as otherwise provided by the Certificate of Incorporation, any directorships created as a result of an increase in the size of the Board of Directors or vacancies (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled by the Class B Stockholder. Each director, including each appointed to fill a vacancy or newly created directorship, shall hold office until the next annual meeting of stockholders for the election of directors or action by written consent of stockholders in lieu of annual meeting for the purpose of electing directors and until such director's successor is elected and qualified or until such director's earlier death, resignation, retirement, disqualification or removal. Directors need not be stockholders.

Section 3.03 Independence. A majority of the directors of the Corporation shall be Independent Directors.

Section 3.04 Resignations. Any director may resign at any time by giving notice of such director's resignation in writing or by electronic transmission to the Chairman or Co-Chairman of the Board of Directors or the Secretary of the Board of Directors. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Corporation. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.05 Compensation. The Board of Directors shall have the authority to fix the compensation of directors or to establish policies for the compensation of directors and for the reimbursement of expenses of directors, in each case, in connection with services provided by directors to the Corporation. The directors may be paid their expenses, if any, of attendance at such meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings, or their service as committee members may be compensated as part of their stated salary as a director.

Section 3.06 Meetings; Chairman, Vice Chairman and Secretary. The Board of Directors may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by any Chairman or Co-Chairman of the Board of Directors or, in the absence of a Chairman or Co-Chairman of the Board of Directors, by any director on at least 24 hours' (or less in times of emergency) notice to each director, either personally or by telephone or by mail, telegraph, telex, cable, wireless or other form of electronic transmission or communication at such time and at such place as shall from time to time be determined by the Board of Directors. Notice of any such meeting need not be given to any director, however, if waived by such director in writing or by telegraph, telex, cable, wireless or other form of electronic transmission or communication, or if such director shall be present at such meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting. The Board of Directors, with the approval of the Class B Stockholder, may appoint a "Chairman," "Co-Chairman," "Vice Chairman" and "Secretary" of the Board of Directors, who shall have the powers and perform such duties as provided in these Bylaws and as the Board of Directors may from time to time prescribe. At each meeting of the Board of Directors, any Chairman or Co-Chairman of the Board of Directors or, in the absence of a Chairman or Co-Chairman of the Board of Directors, a director chosen by a majority of the directors present, shall act as chairman of the meeting. In case the Secretary of the Board of Directors shall be absent from any meeting of the Board of Directors, a director or officer chosen by a majority of the directors present shall act as secretary of the meeting.

Section 3.07 Quorum; Voting; Adjournment . Subject to the requirements of the Certificate of Incorporation and Section 3.08 , at all meetings of the Board of Directors, a majority of the then total number of directors shall constitute a quorum for the transaction of business and, except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the act of a majority of the then total number of directors shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.08 Conflict of Interest . If a director abstains from voting on any matter in which he or she has a conflict of interest, the vote of a majority of the then total number of directors who have not so abstained shall be the act of the Board of Directors.

Section 3.09 Committees; Committee Rules . Except as expressly set forth in these Bylaws, the Board of Directors may, by resolution or resolutions passed by a majority of the then total number of members of the Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation, which, to the extent provided in such resolution or resolutions, shall have and may exercise, subject to applicable law, the Certificate of Incorporation and these Bylaws, the powers and authority of the Board of Directors. A majority of all the members of any such committee shall constitute a quorum for the transaction of business by the committee. A majority of all the members of any such committee present at a meeting at which a quorum is present may determine its action and fix the time and place, if any, of its meetings and specify what notice thereof, if any, shall be given, unless the Board of Directors shall otherwise provide. The Board of Directors shall have the power to change the members of any such committee at any time, to fill vacancies and to discharge any such committee, either with or without cause, at any time. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

Section 3.10 Audit Committee . The Board of Directors shall have an Audit Committee. Such committee shall have and exercise such power and authority as the Board of Directors shall specify from time to time. Upon consideration of the criteria contained in Section 10A(m)(3) and Rule 10A-3(b)(1) of the Exchange Act, and Section 303A of the NYSE Listed Company Manual, in each case including any amendments, replacements or successors thereto, each director that is a member of such committee shall be independent. Each director that is a member of such committee shall be “financially literate” pursuant to the requirements of Section 303A.07 of the NYSE Listed Company Manual, including any amendments, replacements or successors thereto.

Section 3.11 Conflicts Committee . The Board of Directors shall have a Conflicts Committee. Such committee shall have and exercise such power and authority as the Board of Directors shall specify from time to time. Upon consideration of the criteria contained in Section 10A(m)(3) and Rule 10A-3(b)(1) of the Exchange Act and Section 303A of the NYSE Listed Company Manual, in each case including any amendments, replacements or successors thereto, each director that is a member of such committee shall be independent. Such committee shall be required to approve any amendment to a Covered Agreement that, in the reasonable judgment of the Board of Directors, is or will result in a conflict of interest. Such committee shall be authorized to take any action (x) to enforce the rights of the Corporation, directly or through one or more entities controlled by the Corporation, under any Covered Agreement against KKR Holdings (and any subsidiary or other designee of KKR Holdings through which KKR Holdings holds any common stock of the Corporation or Group Partnership Units), any KKR Holdings Affiliated Person, KKR & Co. L.L.C., KKR Associates Holdings (and any subsidiary or other designee of KKR Associates Holdings through which KKR Associates Holdings holds Group Partnership Units, including KKR Intermediate Partnership), any KKR Associates Holdings Affiliated Person or each other party to the Contribution and Indemnification Agreements, or (y) pursuant to any authority or rights granted to such committee under any Covered Agreement or with respect to any amendment, supplement, modification or waiver to any such agreement that would purport to modify such authority or rights.

Section 3.12 Nominating and Corporate Governance Committee . The Board of Directors shall have a Nominating and Corporate Governance Committee. Upon consideration of the criteria contained in Section 10A(m)(3) and Rule 10A-3(b)(1) of the Exchange Act and Section 303A.04 of the NYSE Listed Company Manual, in each case including any amendments, replacements or successors thereto, at least one director that is a member of such committee shall be independent. Such committee shall have and exercise such power and authority as the Board of Directors shall specify from time to time.

Section 3.13 Executive Committee . The Board of Directors shall have an Executive Committee. Such committee shall be comprised of the Chairman or Co-Chairmen of the Board of Directors and any other director or directors selected by the Chairman or Co-Chairmen from time to time. Such committee shall have and exercise such power and authority as the Board of Directors shall specify from time to time; provided, that the Executive Committee shall not be authorized or empowered to take actions that have been specifically delegated to other committees of the Board of Directors or to take actions with respect to (A) the declaration of dividends on the common stock of the Corporation; (B) a merger, sale or combination of the Corporation with or into another Person; (C) a sale, lease or exchange of all or substantially all of the assets, taken as a whole, of the Corporation; (D) a liquidation or dissolution of the Corporation; (E) any action that must be submitted to a vote of the holders of the stock of the Corporation; or (F) any action that may not be delegated to a committee of the Board of Directors under the Certificate of Incorporation, these Bylaws or the DGCL.

Section 3.14 Remote Meeting . Unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in meetings of the Board of Directors, or any committee thereof, by means of telephone conference or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.15 Action Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting by the Board of Directors or any committee thereof, as the case may be, may be taken without a meeting if a consent thereto is signed or transmitted electronically, as the case may be, by all members of the Board of Directors or of such committee, as the case may be, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form or shall be in electronic form if the minutes are maintained in electronic form.

Section 3.16 Reliance on Books and Records. A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of such Person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other Person as to matters the member reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

OFFICERS

Section 4.01 Appointment, Selection and Designation of Officers Other Than Chief Executive Officer or Co-Chief Executive Officers. The Chief Executive Officer or Co-Chief Executive Officers may, from time to time as they deem advisable, select and designate other officers of the Corporation and assign titles to any such Persons, including "President," "Co-President," "Chief Operating Officer," "Co-Chief Operating Officer," "Chief Financial Officer," "General Counsel," "Chief Legal Officer," "Chief Administrative Officer," "Chief Compliance Officer," "Principal Accounting Officer," "Vice President," "Treasurer," "Assistant Treasurer," "Secretary," "Assistant Secretary," "General Manager," "Senior Managing Director," "Managing Director," "Director" or "Principal." Any vacancies occurring in any office other than the offices of Chief Executive Officer or Co-Chief Executive Officer may be filled by the Chief Executive Officer or Co-Chief Executive Officers in the same manner as such officers are appointed and selected pursuant to this Section 4.01.

Section 4.02 Delegation of Duties. Unless the Board of Directors determines otherwise, if a title is one commonly used for officers of a corporation formed under the DGCL, the assignment of such title shall constitute the delegation to such Person of the authorities and duties that are normally associated with that office. The Board of Directors may delegate to any officer any of the Board of Director's powers to the extent permitted by applicable law, including the power to bind the Corporation. Any delegation pursuant to this Section 4.02 may be revoked at any time by the Board of Directors.

Section 4.03 Officers As Agents. The officers, to the extent of their powers set forth under applicable law, the Certificate of Incorporation or these Bylaws or otherwise vested in them by action of the Board of Directors not inconsistent with applicable law, the Certificate of Incorporation or these Bylaws, are agents of the Corporation for the purpose of the Corporation's business and the actions of the officers taken in accordance with such powers shall bind the Corporation.

ARTICLE V

STOCK

Section 5.01 List of Stockholders Entitled To Vote . The Corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided , however , that if the Record Date for determining the stockholders entitled to vote at the meeting is less than 10 days before the date of the meeting, the list shall reflect the stockholders entitled to vote at the meeting as of the 10th day before the meeting date), arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least 10 days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting, if any, or (b) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting, if any, if required by law. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 5.01 or to vote in Person or by proxy at any meeting of stockholders.

Section 5.02 Fixing Date for Determination of Stockholders of Record .

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a Record Date, which Record Date shall not precede the date upon which the resolution fixing the Record Date is adopted by the Board of Directors, and which Record Date shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the Record Date for determining the stockholders entitled to vote at or attend such meeting unless the Board of Directors determines, at the time it fixes such Record Date, that a later date on or before the date of the meeting shall be the date for making such determinations. If no Record Date is fixed by the Board of Directors, the Record Date for determining stockholders entitled to notice of or to vote at or attend a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at or attend a meeting of stockholders shall apply to any adjournment of the meeting; provided , however , that the Board of Directors may fix a new Record Date for determination of stockholders entitled to vote at or attend the adjourned meeting, and in such case shall also fix as the Record Date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at or attend the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a Record Date, which Record Date shall not precede the date upon which the resolution fixing the Record Date is adopted by the Board of Directors, and which Record Date shall not be more than 10 days after the date upon which the resolution fixing the Record Date is adopted by the Board of Directors. If no Record Date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board of Directors, (i) when no prior action of the Board of Directors is required by law, the Record Date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (ii) if prior action by the Board of Directors is required by law, the Record Date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a Record Date, which Record Date shall not precede the date upon which the resolution fixing the Record Date is adopted, and which Record Date shall not be more than 60 days prior to such action. If no such Record Date is fixed, the Record Date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VI

DEFINITIONS

Section 6.01 Definitions. Terms used in these Bylaws and not defined herein shall have the meanings assigned to such terms in the Certificate of Incorporation. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in these Bylaws:

" Board of Directors " has the meaning assigned to such term in Section 1.01 .

" Certificate of Incorporation " has the meaning assigned to such term in Section 1.01 .

" Corporation " has the meaning assigned to such term in Section 1.01 .

" Covered Agreement " means any of the Exchange Agreement, the Tax Receivable Agreement, a Group Partnership Agreement, the Certificate of Incorporation or Contribution and Indemnification Agreement.

" KKR & Co. L.L.C. " means KKR & Co. L.L.C., a Delaware limited liability company, and any successor thereto.

" KKR Associates Holdings Affiliated Person " means each Person that is as of the effective date of these Bylaws or becomes from time to time (i) a general partner or limited partner of KKR Associates Holdings or (ii) a general partner, limited partner or holder of any other type of equity interest of any Person included in clause (i) above.

" KKR Holdings Affiliated Person " means each Person that is as of the date of these Bylaws or becomes from time to time (i) a general partner or a limited partner of KKR Holdings or (ii) a general partner, limited partner or holder of any other type of equity interest of any Person included in clause (i) above.

" Tax Receivable Agreement " means the Tax Receivable Agreement, dated as of July 14, 2010, among KKR Holdings, KKR Management Holdings Corp., the Partnership and KKR Management Holdings L.P., as it may be further amended, supplemented or restated from time to time.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Electronic Transmission . For purposes of these Bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 7.02 Corporate Seal . The Board of Directors may provide a suitable seal, containing the name of the Corporation.

Section 7.03 Construction; Section Headings . For purposes of these Bylaws, unless the context otherwise requires, (i) references to "Articles", "Sections" and "clauses" refer to articles, sections and clauses of these Bylaws and (ii) the term "include" or "includes" means includes, without limitation, and "including" means including, without limitation. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 7.04 Inconsistent Provisions . In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the DGCL or any other applicable law, such provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

Section 8.01 Amendments . Except as provided in Section 8.02 of these Bylaws or the Certificate of Incorporation, the Board of Directors is expressly authorized to adopt, amend and repeal, in whole or in part, these Bylaws without the assent or vote of the stockholders in any manner not inconsistent with the DGCL or the Certificate of Incorporation.

Section 8.02 Class B Stockholder Approval . In addition to any vote or consent required by the Certificate of Incorporation, these Bylaws or applicable law, the amendment or repeal, in whole or in part, of Sections 3.02 through 3.15 , Article IV and this Article VIII , or the adoption of any provision inconsistent therewith, shall require the prior approval of the Class B Stockholder.

Section 8.03 Independent Director Approval . Any adoption, amendment or repeal of these Bylaws that expressly modifies or prejudices the rights of the Independent Directors shall require the affirmative vote or consent of the majority of the Independent Directors.

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EXHIBIT D-1

Form of Global Series A Preferred Stock Certificate

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (" **DTC** "), TO THE CORPORATION OR THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF INCORPORATION (AS DEFINED HEREIN). IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Certificate Number 1

Initial Number of Shares of Series A Preferred Stock 13,800,000

CUSIP

ISIN

KKR & CO. INC.

6.75% Series A Preferred Stock
(Liquidation Preference as specified below)

KKR & CO. INC., a Delaware corporation (the " **Corporation** "), hereby certifies that CEDE & CO. (the " **Holder** "), is the registered owner of the number shown on Schedule I hereto of fully paid and non-assessable shares of the Corporation's designated 6.75% Series A Preferred Stock, with a Series A Liquidation Preference of $25.00 per share (the " **Series A Preferred Stock** "). The shares of Series A Preferred Stock are transferable on the books and records of the Transfer Agent, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the shares of Series A Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Certificate of Incorporation of the Corporation dated as of May 3, 2018 and effective as of the Effective Time (as defined therein), as the same may be amended from time to time (the " **Certificate of Incorporation** "). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Incorporation. The Corporation will provide a copy of the Certificate of Incorporation to the Series A Holder without charge upon written request to the Corporation at its principal place of business. In the case of any conflict between this Certificate and the Certificate of Incorporation, the provisions of the Certificate of Incorporation shall control and govern.

Reference is hereby made to the provisions of the Series A Preferred Stock set forth on the reverse hereof and in the Certificate of Incorporation, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate, the Series A Holder is entitled to the benefits of the Certificate of Incorporation.

Unless the Transfer Agent has properly countersigned, these shares of Series A Preferred Stock shall not be entitled to any benefit under the Certificate of Incorporation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed this 1st of July, 2018.

KKR & CO. INC.

By: _____

Name:
Title:

COUNTERSIGNATURE

These are shares of Series A Preferred Stock referred to in the within-mentioned Certificate of Incorporation.

Dated: July 1, 2018

American Stock Transfer & Trust Company, LLC, as Transfer Agent

By: _____

Name:
Title:

Non-cumulative distributions on each share of Series A Preferred Stock shall be payable at the applicable rate provided in the Certificate of Incorporation.

The Corporation shall furnish without charge to each Series A Holder who so requests a summary of the authority of the Board of Directors to determine variations for future series within a class of stock and the designations, limitations, preferences and relative, participating, optional or other special rights of each class or series of capital issued by the Corporation and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series A Preferred Stock evidenced hereby to:

(Insert assignee's social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)

and irrevocably appoints:

as agent to transfer the shares of Series A Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee:

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program (" **STAMP** ") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

SCHEDULE I

KKR & CO. INC.

Global Series A Preferred Stock Certificate
6.75% Series A Preferred Stock

Certificate Number:

The number of shares of Series A Preferred Stock initially represented by this global Series A Preferred Stock Certificate shall be 13,800,000. Thereafter the Transfer Agent shall note changes in the number of shares of Series A Preferred Stock evidenced by this global Series A Preferred Stock Certificate in the table set forth below:

Date of Exchange	Amount of Decrease in Number of Shares Represented by this Global Series A Preferred Stock Certificate	Amount of Increase in Number of Shares Represented by this Global Series A Preferred Stock Certificate	Number of Shares Represented by this Global Series A Preferred Stock Certificate following Decrease or Increase	Signature of Authorized Officer of Transfer Agent

EXHIBIT D-2

Form of Global Series B Preferred Stock Certificate

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE CORPORATION OR THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE CERTIFICATE OF INCORPORATION (AS DEFINED HEREIN). IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE TRANSFER AGENT NAMED ON THE FACE OF THIS CERTIFICATE SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Certificate Number 1

Initial Number of Shares of Series B Preferred Stock 6,200,000

CUSIP _____
ISIN _____

KKR & CO. INC.

6.50% Series B Preferred Stock
(Liquidation Preference as specified below)

KKR & CO. INC., a Delaware corporation (the " **Corporation** "), hereby certifies that CEDE & CO. (the " **Holder** "), is the registered owner of the number shown on Schedule I hereto of fully paid and non-assessable shares of the Corporation's designated 6.50% Series B Preferred Stock, with a Series B Liquidation Preference of $25.00 per share (the " **Series B Preferred Stock** "). The shares of Series B Preferred Stock are transferable on the books and records of the Transfer Agent, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the shares of Series B Preferred Stock represented hereby are and shall in all respects be subject to the provisions of the Certificate of Incorporation of the Corporation dated as of May 3, 2018 and effective as of the Effective Time (as defined therein), as the same may be amended from time to time (the " **Certificate of Incorporation** "). Capitalized terms used herein but not defined shall have the meaning given them in the Certificate of Incorporation. The Corporation will provide a copy of the Certificate of Incorporation to the Series B Holder without charge upon written request to the Corporation at its principal place of business. In the case of any conflict between this Certificate and the Certificate of Incorporation, the provisions of the Certificate of Incorporation shall control and govern.

Reference is hereby made to the provisions of the Series B Preferred Stock set forth on the reverse hereof and in the Certificate of Incorporation, which provisions shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this executed certificate, the Series B Holder is entitled to the benefits of the Certificate of Incorporation.

Unless the Transfer Agent has properly countersigned, these shares of Series B Preferred Stock shall not be entitled to any benefit under the Certificate of Incorporation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed this 1st of July, 2018.

KKR & CO. INC.

By: _____

Name:
Title:

COUNTERSIGNATURE

These are shares of Series B Preferred Stock referred to in the within-mentioned Certificate of Incorporation.

Dated: July 1, 2018

American Stock Transfer & Trust Company, LLC, as Transfer Agent

By: _____

Name:
Title:

REVERSE OF CERTIFICATE FOR SERIES B PREFERRED STOCK

Non-cumulative distributions on each share of Series B Preferred Stock shall be payable at the applicable rate provided in the Certificate of Incorporation.

The Corporation shall furnish without charge to each Series B Holder who so requests a summary of the authority of the Board of Directors to determine variations for future series within a class of stock and the designations, limitations, preferences and relative, participating, optional or other special rights of each class or series of capital issued by the Corporation and the qualifications, limitations or restrictions of such preferences and/or rights.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the shares of Series B Preferred Stock evidenced hereby to:

(Insert assignee's social security or taxpayer identification number, if any)

(Insert address and zip code of assignee)

and irrevocably appoints:

as agent to transfer the shares of Series B Preferred Stock evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee:

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program (" **STAMP** ") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

SCHEDULE I

KKR & CO. INC.

Global Series B Preferred Stock Certificate
6.50% Series B Preferred Stock

Certificate Number:

The number of shares of Series B Preferred Stock initially represented by this global Series B Preferred Stock Certificate shall be 6,200,000. Thereafter the Transfer Agent shall note changes in the number of shares of Series B Preferred Stock evidenced by this global Series B Preferred Stock Certificate in the table set forth below:

Date of Exchange	Amount of Decrease in Number of Shares Represented by this Global Series B Preferred Stock Certificate	Amount of Increase in Number of Shares Represented by this Global Series B Preferred Stock Certificate	Number of Shares Represented by this Global Series B Preferred Stock Certificate following Decrease or Increase	Signature of Authorized Officer of Transfer Agent

Exhibit 3.1

CERTIFICATE OF CONVERSION
PURSUANT TO SECTION 265 OF
THE DELAWARE GENERAL CORPORATION LAW

This Certificate of Conversion is being duly executed and filed by KKR & Co. L.P., a Delaware limited partnership (the " Limited Partnership "), to convert the Limited Partnership to KKR & Co. Inc., a Delaware corporation (the " Corporation "), under the Delaware Revised Uniform Limited Partnership Act (6 *Del. C.* § 17-101, et seq.) and the Delaware General Corporation Law (8 *Del. C.* § 101, et seq.).

1. The Limited Partnership was first formed on June 25, 2007 as a Delaware limited partnership.

2. The name and type of entity of the Limited Partnership immediately prior to filing this Certificate of Conversion is KKR & Co. L.P., a Delaware limited partnership.

3. The name of the Corporation as set forth in the Certificate of Incorporation filed in accordance with Section 265(b) of the Delaware General Corporation Law is KKR & Co. Inc.

4. The conversion of the Limited Partnership to the Corporation shall be effective at 12:01 a.m. (Eastern Time) on July 1, 2018.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Conversion on the 3rd day of May, 2018.

KKR & CO. L.P.

By: KKR Management LLC, its general partner

By: /s/ David J. Sorkin
Name: David J. Sorkin
Title: Secretary

[Signature Page to Certificate of Conversion]

Exhibit 3.2

CERTIFICATE OF INCORPORATION

OF

KKR & CO. INC.

ARTICLE I

NAME

The name of the Corporation is KKR & Co. Inc. (the " Corporation ").

ARTICLE II

REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of the registered agent at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL. The Corporation is being incorporated in connection with the conversion of KKR & Co. L.P., a Delaware limited partnership (the " Partnership "), to the Corporation (the " Conversion "), and this Certificate of Incorporation is being filed simultaneously with the Certificate of Conversion of the Partnership to the Corporation.

ARTICLE IV

AUTHORIZED STOCK

Section 4.01 Capitalization . (a) The total number of shares of all classes of stock that the Corporation shall have authority to issue is 5,000,000,000 which shall be divided into four classes as follows:

(i) 3,500,000,000 shares of Class A common stock, $0.01 par value per share (" Class A Common Stock ");

(ii) one share of Class B common stock, $0.01 par value per share (" Class B Common Stock ");

(iii) 499,999,999 shares of Class C common stock, $0.01 par value per share (" Class C Common Stock " and, together with the Class A Common Stock and the Class B Common Stock, " Common Stock "); and

(iv) 1,000,000,000 shares of preferred stock, $0.01 par value per share (" Preferred Stock "), of which (x) 13,800,000 shares are designated as "Series A Preferred Stock" (" Series A Preferred Stock "), (y) 6,200,000 shares are designated as "Series B Preferred Stock" (" Series B Preferred Stock ") and (z) the remaining 980,000,000 shares may be designated from time to time in accordance with this Article IV .

(b) At the Effective Time, each (i) Common Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class A Common Stock, (ii) Managing Partner Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class B Common Stock, (iii) Special Voting Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Class C Common Stock, (iv) Series A Preferred Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Series A Preferred Stock and (v) Series B Preferred Unit outstanding immediately prior to the Effective Time will be converted into one issued and outstanding, fully paid and nonassessable share of Series B Preferred Stock, in each case without any action required on the part of the Corporation or the former holder of such Limited Partner Interest or Managing Partner Interest, as applicable.

(c) The number of authorized shares of Class A Common Stock, Class B Common Stock, Class C Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) solely with the approval of the Class B Stockholder and, in the case of any increase in the number of authorized shares of Class B Common Stock, holders of a majority of the voting power of the Outstanding Designated Stock, in each case, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no other vote of the holders of the Class A Common Stock, the Class C Common Stock or any series of Preferred Stock, voting together or separately as a class, shall be required therefor, unless a vote of the holders of any such class, classes or series is expressly required pursuant to this Certificate of Incorporation.

Section 4.02 Preferred Stock . The Board of Directors of the Corporation (the " Board of Directors ") is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix, without further stockholder approval (except as may be required by Articles XXI and XXII or any certificate of designation relating to any series of Preferred Stock), the designation of such series, the powers (including voting powers), preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, of such series of Preferred Stock and the number of shares of such series, which number the Board of Directors may, except where otherwise provided in the designation of such series, increase (but not above the total number of shares of Preferred Stock then authorized and available for issuance and not committed for other issuance) or decrease (but not below the number of shares of such series then outstanding). The powers, preferences and relative, participating, optional and other special rights of, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock, if any, may differ from those of any and all other series at any time Outstanding.

Section 4.03 Splits and Combinations of Stock .

(a) Subject to Section 4.03(c) , Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock, the Corporation may make a pro rata distribution of shares of stock of the Corporation to all Record Holders or may effect a subdivision or combination of stock of the Corporation so long as, after any such event, each stockholder shall have the same percentage of each class or series of shares of stock of the Corporation as before such event, and any amounts calculated on a per share basis or stated as a number of shares of stock are proportionately adjusted.

(b) Whenever such a distribution, subdivision or combination of shares of stock of the Corporation or options, rights, warrants or appreciation rights relating to stock of the Corporation is declared, the Board of Directors shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall provide notice thereof at least 20 days prior to such Record Date to stockholders of the Corporation not less than 10 days prior to the date of such notice.

(c) The Corporation shall not be required to issue fractional shares upon any distribution, subdivision or combination of shares of stock of the Corporation. If the Board of Directors determines that no fractional shares shall be issued in connection with any such distribution, subdivision or combination, the fractional shares resulting therefrom shall be treated in accordance with Section 155 of the DGCL.

ARTICLE V

TERMS OF COMMON STOCK

Section 5.01 General . Except as otherwise required by law or as expressly provided in this Certificate of Incorporation, each share of Common Stock shall have the same powers, privileges and rights and shall rank equally, share ratably and be identical in all respects as to all matters, with each other share of Common Stock.

Section 5.02 Voting .

(a) Except as required by the DGCL or as expressly provided in this Certificate of Incorporation or the Bylaws, the exclusive voting power for all purposes relating to holders of Common Stock shall be vested in the Class B Stockholder. The Class B Stockholder shall have one vote for each share of Class B Common Stock that is Outstanding in its name on the books of the Corporation on all matters on which the Class B Stockholder is entitled to vote.

(b) Each holder of Class A Common Stock, as such, shall not have any voting rights or powers, either general or special, except as required by the DGCL or as expressly provided in this Section 5.02 , Section 6.06 or in Articles VII , VIII and XI . Each Record Holder of Class A Common Stock shall have one vote for each share of Class A Common Stock that is Outstanding in his, her or its name on the books of the Corporation on all matters on which holders of Class A Common Stock are entitled to vote.

(c) Each holder of Class C Common Stock, as such, shall not have any voting rights or powers, either general or special, except as required by the DGCL or as expressly provided in this Section 5.02 , Section 6.06 or in Articles VII , VIII and XI . Notwithstanding any other provision of this Certificate of Incorporation, the Bylaws, the DGCL or any applicable law, rule or regulation, except as otherwise required by applicable law, the holders of Class C Common Stock shall be entitled to receive notice of, be included in any requisite quorum for and participate in any and all approvals, votes or other actions of the stockholders of the Corporation on an equivalent basis as, and treating such Persons for all purposes as if they are, holders of Class A Common Stock, including any and all notices, quorums, approvals, votes and other actions that may be taken pursuant to the requirements of the Certificate of Incorporation, the Bylaws, the DGCL or any other applicable law, rule or regulation.

Except as otherwise required by applicable law, the holders of Class C Common Stock shall vote together with the holders of Class A Common Stock as a single class and, to the extent that the holders of Class A Common Stock shall vote together with the holders of any other class, classes or series of stock of the Corporation, the holders of Class C Common Stock shall also vote together with the holders of such other class, classes or series of stock on an equivalent basis as the holders of the Class A Common Stock. On each matter submitted to a vote of the holders of the Class C Common Stock, each holder of shares of Class C Common Stock entitled to vote thereon shall be entitled, as such, to a number of votes that are equal to the aggregate number of Group Partnership Units held of record by such holder as of the relevant Record Date. The number of votes to which each such holder of Class C Common Stock shall be entitled shall be adjusted accordingly if (i) a stockholder of the Corporation holding Class A Common Stock, as such, shall become entitled to a number of votes other than one for each share of Class A Common Stock held and/or (ii) under the terms of the Exchange Agreement the holders of Group Partnership Units party thereto shall become entitled to exchange each such Group Partnership Unit for a number of shares of Class A Common Stock other than one. Notwithstanding anything to the contrary contained in this Certificate of Incorporation, and in addition to any other vote required by the DGCL or this Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of the Class C Common Stock, voting separately as a class, shall be required to alter, amend or repeal this Section 5.02(c) or to adopt any provision inconsistent therewith.

Section 5.03 Dividends . Subject to applicable law and the rights, if any, of the holders of any Outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends, dividends may be declared and paid ratably on the Class A Common Stock out of the assets of the Corporation that are legally available for this purpose at such times and in such amounts as the Board of Directors in its discretion shall determine. Dividends shall not be declared or paid on the Class B Common Stock or the Class C Common Stock.

Section 5.04 Liquidation . Upon a Dissolution Event, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any Outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Class A Common Stock with respect to the distribution of assets of the Corporation upon such Dissolution Event, the holders of Class A Common Stock shall be entitled to receive the remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them. The Class B Stockholder and the holders of Class C Common Stock shall not be entitled to receive any assets of the Corporation in the event of any dissolution, liquidation or winding up of the Corporation.

Section 5.05 Shares Reserved for Issuance . The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares of Class A Common Stock that shall from time to time be sufficient to effect the exchange of Group Partnership Units (along with Class C Common Stock) pursuant to the Exchange Agreement; provided , that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of the exchange of the Group Partnership Units by delivery of purchased shares of Class A Common Stock that are held in the treasury of the Corporation.

Section 5.06 Cancellations of Class C Common Stock . Immediately upon the exchange of a Group Partnership Unit (together with a share of Class C Common Stock) for Class A Common Stock pursuant to the terms of the Exchange Agreement, such share of Class C Common Stock held by such exchanging holder of Group Partnership Units shall automatically be canceled and retired with no consideration being paid or issued with respect thereto without any further action of any Person. Any such shares of Class C Common Stock so cancelled and retired shall no longer be outstanding and all rights with respect to such shares shall automatically cease and terminate.

ARTICLE VI

CERTIFICATES; RECORD HOLDERS; TRANSFER OF STOCK OF THE CORPORATION

Section 6.01 Certificates . Notwithstanding anything otherwise to the contrary herein, unless the Board of Directors shall provide by resolution or resolutions otherwise in respect of some or all of any or all classes or series of stock of the Corporation, the stock of the Corporation shall not be evidenced by Certificates. Certificates that may be issued shall be executed on behalf of the Corporation by any two duly authorized officers of the Corporation.

No Certificate evidencing shares of Common Stock or Preferred Stock shall be valid for any purpose until it has been countersigned by the Transfer Agent; provided , however , that if the Board of Directors resolves to issue Certificates evidencing shares of Class A Common Stock or Preferred Stock in global form, the Certificates evidencing such shares of Class A Common Stock or Preferred Stock shall be valid upon receipt of a Certificate from the Transfer Agent certifying that the Certificates evidencing such shares of Class A Common Stock or Preferred Stock have been duly registered in accordance with the directions of the Corporation. The use of facsimile signatures affixed in the name and on behalf of the Transfer Agent on Certificates, if any, representing shares of stock of the Corporation is expressly permitted by this Certificate of Incorporation.

Section 6.02 Mutilated, Destroyed, Lost or Stolen Certificates .

(a) If any mutilated Certificate evidencing shares of stock of the Corporation is surrendered to the Transfer Agent, two authorized officers of the Corporation shall execute, and, if applicable, the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number and class of stock as the Certificate so surrendered.

(b) Any two authorized officers of the Corporation shall execute and deliver, and, if applicable, the Transfer Agent shall countersign a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate:

(i) makes proof by affidavit, in form and substance satisfactory to the Corporation, that a previously issued Certificate has been lost, destroyed or stolen;

(ii) requests the issuance of a new Certificate before the Corporation has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(iii) if requested by the Corporation, delivers to the Corporation a bond, in form and substance satisfactory to the Corporation, with surety or sureties and with fixed or open penalty as the Corporation may direct to indemnify the Corporation, the stockholders and, if applicable, the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(iv) satisfies any other reasonable requirements imposed by the Corporation.

(c) As a condition to the issuance of any new Certificate under this Section 6.02 , the Corporation may require the payment of a sum sufficient to cover any tax or other charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent, if applicable) reasonably connected therewith.

Section 6.03 Record Holders . The Corporation shall be entitled to recognize the Record Holder as the owner with respect to any share of stock of the Corporation and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other Person, regardless of whether the Corporation shall have actual or other notice thereof, except as otherwise required by law or applicable rule, regulation, guideline or requirement of any National Securities Exchange on which such shares are listed for trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring or holding shares of stock of the Corporation, as between the Corporation, on the one hand, and such other Persons, on the other, such representative Person shall be the Record Holder of such shares.

Section 6.04 Transfer Generally .

(a) The term “transfer,” when used in this Certificate of Incorporation with respect to shares of stock of the Corporation, shall include (i) with respect to any share of Class B Common Stock held by the Class B Stockholder, a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise, and (ii) with respect to shares of any other stock of the Corporation, a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

(b) No shares of stock of the Corporation shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article VI. Any transfer or purported transfer of any shares of stock of the Corporation not made in accordance with this Article VI shall be null and void.

(c) Nothing contained in this Certificate of Incorporation shall be construed to prevent a disposition or any other type of transfer of the kind enumerated in Section 6.04(a) by any member of the Class B Stockholder of any or all of the issued and outstanding equity or other interests in the Class B Stockholder.

Section 6.05 Registration and Transfer of Stock.

(a) The Corporation shall keep or cause to be kept on behalf of the Corporation a stock ledger in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 6.05(b), the Corporation will provide for the registration and transfer of stock of the Corporation. The Transfer Agent is hereby appointed registrar and transfer agent for the purpose of registering Class A Common Stock and Preferred Stock and transfers of such stock as herein provided. The Corporation shall not recognize transfers of Certificates evidencing shares of stock of the Corporation unless such transfers are effected in the manner described in this Section 6.05. Upon surrender of a Certificate for registration of transfer of any shares of stock of the Corporation evidenced by a Certificate, and subject to the provisions of Section 6.05(b), any two authorized officers of the Corporation shall execute and deliver, and in the case of Class A Common Stock and Preferred Stock, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Certificates evidencing the same aggregate number and type of stock of the Corporation as was evidenced by the Certificate so surrendered.

(b) The Corporation shall not recognize any transfer of shares of stock of the Corporation evidenced by Certificates until the Certificates evidencing such shares of stock are surrendered for registration of transfer. No charge shall be imposed by the Corporation for such transfer; provided that as a condition to the issuance of any new Certificate under this Section 6.05, the Corporation may require the payment of a sum sufficient to cover any tax or other charge that may be imposed with respect thereto.

(c) Subject to (i) the foregoing provisions of this Section 6.05, (ii) Section 6.04, (iii) Section 6.06, (iv) Section 6.07, (v) with respect to any series of stock of the Corporation, the provisions of any certificate of designations or amendment to this Certificate of Incorporation establishing such series, and Articles XXI and XXII, (vi) any contractual provisions binding on any holder of shares of stock of the Corporation, and (vii) provisions of applicable law including the Securities Act, the stock of the Corporation shall be freely transferable. Stock of the Corporation issued pursuant to any employee-related policies or equity benefit plans, programs or practices adopted by the Corporation may be subject to any transfer restrictions contained therein.

Section 6.06 Transfer of Class B Common Stock .

(a) Subject to Section 6.06(c) below, prior to December 31, 2018, the Class B Stockholder shall not be entitled to and shall not transfer all or part of the shares of Class B Common Stock held by it to a Person unless such transfer (i) has been approved by the prior written consent or vote of stockholders of the Corporation holding at least a majority of the voting power of the Outstanding Designated Stock (excluding Designated Stock held by the Class B Stockholder or its Affiliates) or (ii) is of all, but not less than all, of the shares of Class B Common Stock held by it to (A) an Affiliate of the Class B Stockholder (other than an individual) or (B) another Person (other than an individual) in connection with the merger or consolidation of the Class B Stockholder with or into another Person (other than an individual) or the transfer by the Class B Stockholder of all, but not less than all, of the shares of Class B Common Stock held by it to another Person (other than an individual).

(b) Subject to Section 6.06(c) below, on or after December 31, 2018, the Class B Stockholder may transfer all or part of the shares of Class B Common Stock held by it without the approval of any other stockholder of the Corporation.

(c) Notwithstanding anything herein to the contrary but subject to Section 6.04(c) , no transfer by the Class B Stockholder of all or part of the shares of Class B Common Stock held by it to another Person shall be permitted unless (i) the written approval of the Board of Directors and a Majority in Interest of the Class B Stockholder is obtained prior to such transfer, (ii) the transferee agrees to assume the rights and duties of the Class B Stockholder under this Certificate of Incorporation and to be bound by the provisions of this Certificate of Incorporation and (iii) the Corporation receives an Opinion of Counsel that such transfer would not result in the loss of limited liability of any stockholder of the Corporation. Any purported transfer of shares of Class B Common Stock not made in accordance with this Article VI shall be null and void and any shares of Class B Common Stock purportedly transferred in violation of this Section 6.06(c) shall be automatically redeemed by the Corporation without consideration and, notwithstanding anything herein to the contrary, shall become treasury shares and may only be disposed of by the Corporation with the approval of a Majority in Interest of the Class B Stockholder.

Section 6.07 Additional Restrictions on Transfers .

(a) Except as provided in Section 6.07(b) below, but notwithstanding the other provisions of this Article VI , no transfer of any shares of stock of the Corporation shall be made if such transfer would (i) violate the then applicable U.S. federal or state securities laws or rules and regulations of the Commission, any U.S. state securities commission or any other governmental authority with jurisdiction over such transfer or (ii) terminate the existence or qualification of the Corporation under the laws of the jurisdiction of its incorporation.

(b) Nothing contained in this Article VI , or elsewhere in this Certificate of Incorporation, shall preclude the settlement of any transactions involving shares of stock of the Corporation entered into through the facilities of any National Securities Exchange on which such shares of stock are listed for trading.

ARTICLE VII

SALE, EXCHANGE OR OTHER DISPOSITION OF THE CORPORATION'S ASSETS

Except as provided in Section 5.04 and Article VIII , the Corporation may not sell, exchange or otherwise dispose of all or substantially all of the Corporate Group's assets, taken as a whole, in a single transaction or a series of related transactions, without the approval of the Class B Stockholder and the holders of a majority of the voting power of Outstanding Designated Stock; provided , however , that this Article VII shall not preclude or limit the Corporation's ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of the Corporate Group (including for the benefit of Persons other than the members of the Corporate Group, including Affiliates of the Class B Stockholder) and shall not apply to any forced sale of any or all of the assets of the Corporate Group pursuant to the foreclosure of, or other realization upon, any such encumbrance.

ARTICLE VIII

MERGER

Section 8.01 Authority . The Corporation may merge or consolidate or otherwise combine with or into one or more corporations, limited liability companies, statutory trusts or associations, real estate investment trusts, common law trusts, unincorporated businesses or other Person permitted by the DGCL, including a partnership (whether general or limited (including a limited liability partnership or a limited liability limited partnership)), formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written agreement of merger, consolidation or other similar business combination (the " Merger Agreement ") in accordance with this Article VIII and the DGCL.

Section 8.02 Class B Stockholder Approval . The merger, consolidation or other similar business combination of the Corporation pursuant to this Article VIII requires the prior approval of the Class B Stockholder; provided , however , that, to the fullest extent permitted by law, the Class B Stockholder shall have no duty or obligation to approve any merger, consolidation or other business combination of the Corporation and, to the fullest extent permitted by law, may decline to do so in its sole and absolute discretion and, in declining to approve a merger, consolidation or other business combination, shall not be required to act pursuant to any other standard imposed by this Certificate of Incorporation, any other agreement contemplated hereby or under the DGCL or any other law, rule or regulation or at equity.

Section 8.03 Other Stockholder Approval .

(a) Except as provided in Section 8.03(d) and subject to Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock, the Board of Directors, upon its approval of the Merger Agreement and the approval of the Class B Stockholder as provided in Section 8.02 , shall direct that the Merger Agreement and the merger, consolidation or other business combination contemplated thereby be submitted to a vote of holders of Designated Stock, whether at an annual meeting, special meeting or by written consent, in either case in accordance with the requirements of Article XVII and the DGCL. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a meeting or the action by written consent.

(b) Except as provided in Section 8.03(d) and subject to Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock, the Merger Agreement and the merger, consolidation or other business combination contemplated thereby shall be adopted and approved upon receiving the affirmative vote or consent of the holders of a majority of the voting power of the Outstanding Designated Stock.

(c) Except as provided in Section 8.03(d), after such approval by vote or consent of holders of Designated Stock, and at any time prior to the filing of the certificate of merger or consolidation or similar certificate with the Secretary of State of the State of Delaware in conformity with the requirements of the DGCL, the merger, consolidation or other business combination may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

(d) Notwithstanding anything else contained in this Article VIII or otherwise in this Certificate of Incorporation, the Corporation is permitted, with the prior vote or consent of the Class B Stockholder and without any vote of holders of Designated Stock, to merge the Corporation or any Group Member into, or convey all of the Corporation's assets to, another limited liability entity, which shall be newly formed and shall have no assets, liabilities or operations at the time of such merger or conveyance other than those it receives from the Corporation or other Group Member or those arising from its incorporation or formation; provided that (A) the Corporation has received an Opinion of Counsel that the merger or conveyance, as the case may be, would not result in the loss of the limited liability of any stockholder, (B) the sole purpose of such merger or conveyance is to effect a mere change in the legal form of the Corporation into another limited liability entity and (C) the governing instruments of the new entity provide the stockholders with substantially the same rights and obligations as are herein contained.

Section 8.04 Preferred Stock. Notwithstanding anything to the contrary, the provisions of Section 8.03 are not applicable to Preferred Stock or the holders of Preferred Stock. Holders of Preferred Stock shall have no voting, approval or consent rights under this Article VIII. Voting, approval and consent rights of holders of Preferred Stock shall be solely as provided for and set forth in Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock.

ARTICLE IX

RIGHT TO ACQUIRE STOCK OF THE CORPORATION

Section 9.01 Right to Acquire Stock of the Corporation.

(a) Notwithstanding any other provision of this Certificate of Incorporation, if at any time either:

(i) less than 10% of the total shares of any class then Outstanding (other than Class B Common Stock, Class C Common Stock and Preferred Stock) is held by Persons other than the Class B Stockholder and its Affiliates; or

(ii) the Corporation is subjected to registration under the provisions of the U.S. Investment Company Act of 1940, as amended,

the Corporation shall then have the right, which right it may assign and transfer in whole or in part to the Class B Stockholder or any Affiliate of the Class B Stockholder, exercisable in its sole discretion, to purchase all, but not less than all, of such shares of such class then Outstanding held by Persons other than the Class B Stockholder and its Affiliates, at the greater of (x) the Current Market Price as of the date three days prior to the date that the notice described in Section 9.01(b) is mailed and (y) the highest price paid by the Corporation (or any of its Affiliates acting in concert with the Corporation) for any such share of such class purchased during the 90-day period preceding the date that the notice described in Section 9.01(b) is mailed. As used in this Certificate of Incorporation, (i) " Current Market Price " as of any date of any class of stock of the Corporation means the average of the daily Closing Prices per share of such class for the 20 consecutive Trading Days immediately prior to such date; (ii) " Closing Price " for any day means the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such day, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted for trading on the principal National Securities Exchange on which such class of stock of the Corporation is listed or admitted to trading or, if such class of stock of the Corporation is not listed or admitted to trading on any National Securities Exchange, the last quoted price on such day or, if not so quoted, the average of the high bid and low asked prices on such day in the over-the-counter market, as reported by the primary reporting system then in use in relation to such class of stock of the Corporation, or, if on any such day such class of stock of the Corporation is not quoted by any such organization, the average of the closing bid and asked prices on such day as furnished by a professional market maker making a market in such class of stock of the Corporation selected by the Corporation in its sole discretion, or if on any such day no market maker is making a market in such class of stock of the Corporation, the fair value of such class of stock of the Corporation on such day as determined by the Corporation in its sole discretion; and (iii) " Trading Day " means a day on which the principal National Securities Exchange on which such stock of the Corporation of any class is listed or admitted to trading is open for the transaction of business or, if a class of stock of the Corporation is not listed or admitted to trading on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

(b) If the Corporation, the Class B Stockholder or any Affiliate of the Class B Stockholder elects to exercise the right to purchase stock of the Corporation granted pursuant to Section 9.01(a), the Corporation shall deliver to the Transfer Agent notice of such election to purchase (the "Notice of Election to Purchase") and shall cause the Transfer Agent to mail a copy of such Notice of Election to Purchase to the Record Holders of such class (as of a Record Date selected by the Corporation) at least 10, but not more than 60, days prior to the Purchase Date. Such Notice of Election to Purchase shall also be published for a period of at least three consecutive days in at least two daily newspapers of general circulation printed in the English language and circulated in the Borough of Manhattan, New York City. The Notice of Election to Purchase shall specify the Purchase Date and the price (determined in accordance with Section 9.01(a)) at which stock of the Corporation will be purchased and state that the Corporation, the Class B Stockholder or its Affiliate, as the case may be, elects to purchase such stock of the Corporation (in the case of stock of the Corporation evidenced by Certificates, upon surrender of Certificates representing such stock) in exchange for payment at such office or offices of the Transfer Agent as the Transfer Agent may specify or as may be required by any National Securities Exchange on which such stock of the Corporation is listed or admitted to trading. Any such Notice of Election to Purchase mailed to a Record Holder at his or her address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given regardless of whether the owner receives such notice. On or prior to the Purchase Date, the Corporation, the Class B Stockholder or its Affiliate, as the case may be, shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate purchase price of all of such stock of the Corporation to be purchased in accordance with this Section 9.01. If the Notice of Election to Purchase shall have been duly given as aforesaid at least 10 days prior to the Purchase Date, and if on or prior to the Purchase Date the deposit described in the preceding sentence has been made for the benefit of the stockholders subject to purchase as provided herein, then from and after the Purchase Date, notwithstanding that any Certificate shall not have been surrendered for purchase, all rights of such stockholders of the Corporation shall thereupon cease, except the right to receive the purchase price (determined in accordance with Section 9.01(a)) for stock of the Corporation therefor, without interest (in the case of stock of the Corporation evidenced by Certificates, upon surrender to the Transfer Agent of the Certificates representing such stock) and such stock of the Corporation shall thereupon be deemed to be transferred to the Corporation, the Class B Stockholder or its Affiliate, as the case may be, on the record books of the Transfer Agent and the Corporation, the Class B Stockholder or its Affiliate, as the case may be, shall be deemed to be the owner of all such stock of the Corporation from and after the Purchase Date and shall have all rights as the owner of such stock of the Corporation.

ARTICLE X

REQUIRED APPROVALS

Section 10.01 Increase of Designated Percentage. The Corporation shall not increase or permit any increase to the Designated Percentage (as such term is defined in the Group Partnership Agreements) to above 40% without the consent of a majority of the Independent Directors; provided, that any consent of the independent directors of the Former Managing Partner given prior to the Effective Time shall continue to be effective as the consent of a majority of the Independent Directors for purposes of this Section 10.01.

Section 10.02 Transfer of Group Partnership Class B Units. The Corporation shall not, and shall not permit any of the entities controlled by the Corporation to, consent to any Transfer (as such term is defined in the Group Partnership Agreements) of Class B Units (as such term is defined in the Group Partnership Agreements) without the Transferee (as such term is defined in the Group Partnership Agreements) having entered into a contribution and indemnification agreement that is substantially consistent with the Contribution and Indemnification Agreement among each of the Group Partnerships, KKR Associates Holdings and KKR Intermediate Partnership or a contribution and indemnification agreement that is reasonably satisfactory to the Conflicts Committee of the Board of Directors.

Section 10.03 Approval of Certain Other Matters .

(a) The Corporation shall not authorize, approve or ratify any of the following actions or any plan with respect thereto without the prior approval of the Class B Stockholder, which approval may be in the form of an action by written consent of the Class B Stockholder:

(i) entry into a debt financing arrangement by the Corporation or any of its Subsidiaries, in one transaction or a series of related transactions, in an amount in excess of 10% of the then existing long-term indebtedness of the Corporation (other than the entry into of a debt financing arrangement between or among any of the Corporation and its wholly owned Subsidiaries);

(ii) the issuance by the Corporation or any of its Subsidiaries, in one transaction or a series of related transactions, of any Securities that would (i) represent, after such issuance, or upon conversion, exchange or exercise, as the case may be, at least 5% on a fully diluted, as converted, exchanged or exercised basis, of any class of equity Securities of the Corporation or any of its Subsidiaries or (ii) have designations, preferences, rights, priorities or powers that are more favorable than those of the Class A Common Stock of the Corporation; provided that no such approval shall be required for issuance of Securities that are issuable upon conversion, exchange or exercise of any Securities that were issued and Outstanding as of the effective date of this Certificate of Incorporation;

(iii) the adoption of a shareholder rights plan by the Corporation;

(iv) the amendment of this Certificate of Incorporation, Sections 3.02 through 3.15 and Articles IV and VIII of the Bylaws, or the Group Partnership Agreements;

(v) the exchange or disposition of all or substantially all of the assets, taken as a whole, of the Corporation or any Group Partnership in a single transaction or a series of related transactions;

(vi) the merger, sale or other combination of the Corporation or any Group Partnership with or into any other Person;

(vii) the transfer, mortgage, pledge, hypothecation or grant of a security interest in all or substantially all of the assets of the Group Partnerships;

(viii) the removal of a Chief Executive Officer or a Co-Chief Executive Officer of the Corporation;

(ix) the termination of the employment of any officer of the Corporation or a Subsidiary of the Corporation or the termination of the association of a partner with any Subsidiary of the Corporation, in each case, without cause;

(x) the liquidation or dissolution of the Corporation or any Group Partnership; and

(xi) the withdrawal, removal or substitution of any Person as the general partner of a Group Partnership, or the direct or indirect transfer of beneficial ownership of all or any part of a general partner interest in a Group Partnership to any Person other than a wholly owned Subsidiary of the Corporation.

(b) Solely for purposes of this Section 10.03 , the following definitions shall be applied to the terms used in this Section 10.03 :

" Advised Entity " means any fund or vehicle that is advised, sponsored, raised or managed by the Corporation or its Affiliates or any portfolio investment of any such fund or vehicle.

" Controlled Entity " when used with reference to a Person means any Person controlled by such Person.

" Securities " means any debt or equity securities of an issuer and its Subsidiaries and other Controlled Entities, including common and preferred stock, interests in limited partnerships and interests in limited liability companies (including warrants, rights, put and call options and other options relating thereto or any combination thereof), notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action, other property or interests commonly regarded as securities, interests in real property, whether improved or unimproved, interests in oil and gas properties and mineral properties, short-term investments commonly regarded as money-market investments, bank deposits and interests in personal property of all kinds, whether tangible or intangible, and any securities convertible into, or exercisable or exchangeable for, any of the foregoing.

" Subsidiary " of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Corporation (which shall be deemed to include the Group Partnerships and their Subsidiaries), but shall exclude any Advised Entity, irrespective of whether such Advised Entity is consolidated in the financial statements of the Corporation or such Affiliate.

ARTICLE XI

AMENDMENT OF CERTIFICATE OF INCORPORATION

Section 11.01 Amendments to be Approved by the Class B Stockholder. Notwithstanding anything to the contrary set forth herein, and except as otherwise expressly provided by applicable law, the Class B Stockholder shall have the sole right to vote on any amendment to this Certificate of Incorporation proposed by the Board of Directors that:

(a) amends Article X or Section 13.01;

(b) is a change in the name of the Corporation, the registered agent of the Corporation or the registered office of the Corporation;

(c) the Board of Directors has determined to be necessary or appropriate to address changes in U.S. federal, state and local income tax regulations, legislation or interpretation;

(d) the Board of Directors has determined (i) does not adversely affect the stockholders considered as a whole (or adversely affect any particular class or series of stock of the Corporation as compared to another class or series of stock of the Corporation, treating the Class A Common Stock as a separate class for this purpose except under clause (g) below) in any material respect, (ii) to be necessary or appropriate to (A) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any U.S. federal, state, local or non-U.S. agency or judicial authority or contained in any U.S. federal, state, local or non-U.S. statute (including the DGCL) or (B) facilitate the trading of the stock of the Corporation (including the division of any class or classes of Outstanding stock of the Corporation into different classes to facilitate uniformity of tax consequences within such classes of stock of the Corporation) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which the stock of the Corporation is or will be listed, (iii) to be necessary or appropriate in connection with action taken pursuant to Section 4.03, or (iv) is required to effect the intent expressed in the Registration Statement or the intent of the provisions of this Certificate of Incorporation or is otherwise contemplated by this Certificate of Incorporation;

(e) is a change in the Fiscal Year or taxable year of the Corporation and any other changes that the Board of Directors has determined to be necessary or appropriate as a result of a change in the Fiscal Year or taxable year of the Corporation including, if the Board of Directors has so determined, subject to Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock, the periods of time with respect to which dividends are to be made by the Corporation;

(f) is necessary, in the Opinion of Counsel, to prevent the Corporation or the Indemnitees from having a material risk of being in any manner subjected to registration under the provisions of the U.S. Investment Company Act of 1940, as amended, the U.S. Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the U.S. Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) the Board of Directors has determined to be necessary or appropriate in connection with the creation, authorization or issuance of any class or series of stock of the Corporation or options, rights, warrants or appreciation rights relating to stock of the Corporation;

(h) is expressly permitted in this Certificate of Incorporation to be voted on solely by the Class B Stockholder;

(i) is effected, necessitated or contemplated by a Merger Agreement permitted by Article VIII ;

(j) the Board of Directors has determined to be necessary or appropriate to reflect and account for the formation by the Corporation of, or investment by the Corporation in, any corporation, partnership, joint venture, limited liability company or other Person, in connection with the conduct by the Corporation of activities permitted by the terms of Article III ;

(k) is effected, necessitated or contemplated by an amendment to any Group Partnership Agreement that requires unitholders of any Group Partnership to provide a statement, certification or other proof of evidence to the Group Partnerships regarding whether such unitholder is subject to U.S. federal income taxation on the income generated by the Group Partnerships;

(l) reflects a merger or conveyance pursuant to Section 8.03(d) ;

(m) the Board of Directors has determined to be necessary or appropriate to cure any ambiguity, omission, mistake, defect or inconsistency; or

(n) is substantially similar to the foregoing.

The Class B Stockholder shall have no duty or obligation to consent to any amendment to this Certificate of Incorporation and may decline to do so in its sole and absolute discretion.

Section 11.02 Amendment Requirements .

(a) Except as provided in Articles IV , XXI and XXII , Section 11.01 and subsections (b) through (f) of this Section 11.02 , any proposed amendment to this Certificate of Incorporation shall require the approval of the holders of a majority of the voting power of the Outstanding Designated Stock, unless a greater or different percentage is required under the DGCL. Each proposed amendment that requires the approval of the holders of a specified percentage of the voting power of Outstanding Designated Stock shall be set forth in a writing that contains the text or summary of the proposed amendment. If such an amendment is proposed, the Board of Directors shall seek the written approval of the requisite percentage of the voting power of Outstanding Designated Stock or call a meeting of the holders of Designated Stock to consider and vote on such proposed amendment, in each case, in accordance with the provisions of this Certificate of Incorporation and the DGCL. The Corporation shall notify all Record Holders upon final adoption of any such proposed amendments.

(b) Notwithstanding the provisions of Sections 11.01 and 11.02(a) and Article XII , no amendment to this Certificate of Incorporation or the Bylaws may (i) enlarge the obligations of any stockholder without its consent, unless such shall be deemed to have occurred as a result of an amendment approved pursuant to Section 11.02(c) , or (ii) enlarge the obligations of, restrict in any way any action by or rights (including, but not limited to, voting power) of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to the Class B Stockholder or any of its Affiliates without the Class B Stockholder's consent, which consent may be given or withheld in its sole discretion.

(c) Except as provided in Sections 8.03 and 11.01 and Articles XXI and XXII , any amendment that would have a material adverse effect on the rights or preferences of any class of stock of the Corporation in relation to other classes of stock of the Corporation must be approved by the holders of not less than a majority of the Outstanding stock of the class affected.

(d) Notwithstanding any other provision of this Certificate of Incorporation, except for amendments adopted pursuant to Section 11.01 and except as otherwise provided by Article VIII , in addition to any other approval required by this Certificate of Incorporation no amendment shall become effective without the affirmative vote or consent of stockholders holding at least 90% of the voting power of the Outstanding Designated Stock unless the Corporation obtains an Opinion of Counsel to the effect that such amendment will not affect the limited liability of any stockholder under the DGCL.

(e) Except as provided in Section 11.01 , subsections (b) through (f) of this Section 11.02 shall only be amended with the affirmative vote or consent of the stockholders holding at least 90% of the voting power of the Outstanding Designated Stock.

(f) Notwithstanding the provisions of Sections 11.01 and 11.02(a) , no provision of this Certificate of Incorporation that requires the vote of stockholders holding a percentage of the voting power of Outstanding Designated Stock (including Designated Stock owned by the Class B Stockholder and its Affiliates) to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the written consent or the affirmative vote of stockholders whose aggregate Outstanding Designated Stock constitutes not less than the voting or consent requirement sought to be reduced.

Section 11.03 Preferred Stock . Notwithstanding anything to the contrary, subsections Section 11.02(b) through (f) are not applicable to any series of Preferred Stock or the holders of Preferred Stock. Holders of Preferred Stock shall have no voting, approval or consent rights under this Article XI . Voting, approval and consent rights of holders of Preferred Stock shall be solely as provided for and set forth in Articles XXI and XXII and any certificate of designation relating to any series of Preferred Stock.

ARTICLE XII

BYLAWS

In furtherance and not in limitation of the powers conferred by the DGCL, except as expressly provided in this Certificate of Incorporation or the Bylaws, the Board of Directors is expressly authorized to adopt, amend and repeal, in whole or in part, the Bylaws without the assent or vote of the stockholders in any manner not inconsistent with the DGCL or this Certificate of Incorporation. Any adoption, amendment or repeal of the Bylaws that expressly modifies or prejudices the rights of the Independent Directors shall require the affirmative vote or consent of the majority of the Independent Directors.

ARTICLE XIII

OFFICERS

Section 13.01 Appointment, Selection and Designation of Chief Executive Officer or Co-Chief Executive Officers . The officers of the Corporation shall include a "Chief Executive Officer" or "Co-Chief Executive Officers," each of whom shall be appointed by the Class B Stockholder, and who shall hold office for such terms as shall be determined by the Class B Stockholder or until his or her earlier death, resignation, retirement, disqualification or removal. Any other officer of the Corporation shall be selected and designated pursuant to the Bylaws.

Section 13.02 Vacancies . Any vacancies occurring in any office of the Chief Executive Officer or Co-Chief Executive Officer shall be filled by the Class B Stockholder in the same manner as such officers are appointed pursuant to Section 13.01 . Any vacancies occurring in any other offices shall be filled pursuant to the Bylaws.

Section 13.03 Removal . An officer of the Corporation may be removed from office with or without cause at any time by the Board of Directors (and, in case of the Chief Executive Officer or Co-Chief Executive Officers, only with the consent of the Class B Stockholder in accordance with Section 10.03(a)(viii)) .

ARTICLE XIV

OUTSIDE ACTIVITIES

Section 14.01 Outside Activities .

(a) The Class B Stockholder, for so long as it owns Class B Common Stock, (i) agrees that its sole business will be to act as the Class B Stockholder and as a general partner or managing member of any partnership or limited liability company of which the Corporation is, directly or indirectly, a partner, member, trustee or stockholder and to undertake activities that are ancillary or related thereto and (ii) shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (A) its performance as the Class B Stockholder and as a general partner, managing member, trustee or stockholder of one or more Group Members or as described in or contemplated by the Registration Statement or (B) the acquiring, owning or disposing of debt or equity securities in any Group Member.

(b) Except insofar as the Class B Stockholder is specifically restricted by Section 14.01(a) and except with respect to any corporate opportunity expressly offered to any Indemnitee solely through their service to the Corporate Group, to the fullest extent permitted by law, each Indemnitee shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by any Group Member, independently or with others, including business interests and activities in direct competition with the business and activities of any Group Member, and none of the same shall constitute a violation of this Certificate of Incorporation or any duty otherwise existing at law, in equity or otherwise to any Group Member or any stockholder of the Corporation. Subject to the immediately preceding sentence, no Group Member or any stockholder of the Corporation shall have any rights by virtue of this Certificate of Incorporation, the DGCL or otherwise in any business ventures of any Indemnitee, and the Corporation hereby waives and renounces any interest or expectancy therein.

Section 14.02 Approval and Waiver. Subject to the terms of Section 14.01, but otherwise notwithstanding anything to the contrary in this Certificate of Incorporation, (i) the engagement in competitive activities by any Indemnitee (other than the Class B Stockholder) in accordance with the provisions of this Article XIV is hereby deemed approved by the Corporation and all stockholders, (ii) it shall not be a breach of the Class B Stockholder's or any other Indemnitee's duties or any other obligation of any type whatsoever of the Class B Stockholder or any other Indemnitee if the Indemnitee (other than the Class B Stockholder) engages in any such business interests or activities in preference to or to the exclusion of any Group Member, (iii) the Class B Stockholder and the other Indemnitees shall have no obligation hereunder or as a result of any duty otherwise existing at law, in equity or otherwise to present business opportunities to any Group Member and (iv) the Corporation hereby waives and renounces any interest or expectancy in such activities such that the doctrine of "corporate opportunity" or other analogous doctrine shall not apply to any such Indemnitee.

Section 14.03 Acquisition of Stock. The Class B Stockholder and any of its Affiliates may acquire stock of the Corporation or options, rights, warrants or appreciation rights relating to stock of the Corporation and, except as otherwise expressly provided in this Certificate of Incorporation, shall be entitled to exercise all rights of a stockholder of the Corporation relating to such stock or options, rights, warrants or appreciation rights relating to stock of the Corporation.

ARTICLE XV

BUSINESS COMBINATIONS

The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

ARTICLE XVI

INDEMNIFICATION , LIABILITY OF INDEMNITEES

Section 16.01 Indemnification.

(a) To the fullest extent permitted by law (including, if and to the extent applicable, Section 145 of the DGCL), but subject to the limitations expressly provided for in this Certificate of Incorporation, all Indemnitees shall be indemnified and held harmless by the Corporation on an after tax basis from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee whether arising from acts or omissions to act occurring on, before or after the date of this Certificate of Incorporation; provided that an Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Section 16.01 , the Indemnitee acted in bad faith or engaged in fraud or willful misconduct. Notwithstanding the preceding sentence, except as otherwise provided in Section 16.01(j) , the Corporation shall be required to indemnify a Person described in such sentence in connection with any claim, demand, action, suit or proceeding (or part thereof) commenced by such Person only if (x) the commencement of such claim, demand, action, suit or proceeding (or part thereof) by such Person was authorized by the Board of Directors or (y) there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that such Person was entitled to indemnification by the Corporation pursuant to Section 16.01(j) . The indemnification of an Indemnitee of the type identified in clause (e) of the definition of Indemnitee shall be secondary to any and all indemnification to which such Person is entitled from, firstly, the relevant other Person, and from, secondly, the relevant Fund (if applicable), and will only be paid to the extent the primary indemnification is not paid and the proviso set forth in the first sentence of this Section 16.01(a) does not apply; provided that such other Person and such Fund shall not be entitled to contribution or indemnification from or subrogation against the Corporation, unless otherwise mandated by applicable law. If, notwithstanding the foregoing sentence, the Corporation makes an indemnification payment or advances expenses to such an Indemnitee entitled to primary indemnification, the Corporation shall be subrogated to the rights of such Indemnitee against the Person or Persons responsible for the primary indemnification. " Fund " means any fund, investment vehicle or account whose investments are managed or advised by the Corporation (if any) or an Affiliate thereof.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 16.01(a) in appearing at, participating in or defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Corporation prior to a final and non-appealable determination that the Indemnitee is not entitled to be indemnified upon receipt by the Corporation of an undertaking by or on behalf of the Indemnitee to repay such amount if it ultimately shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 16.01 .

(c) The indemnification provided by this Section 16.01 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, insurance, pursuant to any vote of the holders of Outstanding Designated Stock entitled to vote on such matter, as a matter of law, in equity or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity.

(d) The Corporation may purchase and maintain insurance, on behalf of the Indemnitees and such other Persons as the Board of Directors shall determine in its sole discretion, against any liability that may be asserted against, or expense that may be incurred by, such Person in connection with the Corporation's activities or such Person's activities on behalf of the Corporation, regardless of whether the Corporation would have the power to indemnify such Person against such liability under the provisions of this Certificate of Incorporation.

(e) For purposes of this Section 16.01 , (i) the Corporation shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Corporation also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; (ii) excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 16.01(a) ; and (iii) any action taken or omitted by an Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the Corporation.

(f) Any indemnification pursuant to this Section 16.01 shall be made only out of the assets of the Corporation. The Class B Stockholder shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Corporation to enable it to effectuate such indemnification. In no event may an Indemnitee subject any other stockholders of the Corporation to personal liability by reason of the indemnification provisions set forth in this Certificate of Incorporation.

(g) To the fullest extent permitted by law, an Indemnitee shall not be denied indemnification in whole or in part under this Section 16.01 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Certificate of Incorporation.

(h) The provisions of this Section 16.01 are for the benefit of the Indemnitees and their heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 16.01 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Corporation, nor the obligations of the Corporation to indemnify any such Indemnitee under and in accordance with the provisions of this Section 16.01 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or-in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(j) If a claim for indemnification (following the final disposition of the action, suit or proceeding for which indemnification is being sought) or advancement of expenses under this Section 16.01 is not paid in full within 30 days after a written claim therefor by any Indemnitee has been received by the Corporation, such Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expenses of prosecuting such claim, including reasonable attorneys' fees. In any such action the Corporation shall have the burden of proving that such Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

(k) This Section 16.01 shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to, and purchase and maintain insurance on behalf of, Persons other than Indemnitees.

Section 16.02 Liability of Indemnitees .

(a) Notwithstanding anything to the contrary set forth in this Certificate of Incorporation, to the extent and in the manner permitted by law, no Indemnitee shall be liable to the Corporation, the stockholders of the Corporation or any other Persons who have acquired interests in stock of the Corporation, for any losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising as a result of any act or omission of an Indemnitee, or for any breach of contract (including a violation of this Certificate of Incorporation) or any breach of duties (including breach of fiduciary duties) whether arising hereunder, at law, in equity or otherwise, unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or engaged in fraud or willful misconduct.

(b) Any amendment, modification or repeal of this Section 16.02 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnitees under this Section 16.02 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted, and provided such Person became an Indemnitee hereunder prior to such amendment, modification or repeal.

(c) A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

Section 16.03 Other Matters Concerning the Class B Stockholder .

(a) To the fullest extent permitted by law, stockholders of the Corporation expressly acknowledge that the Class B Stockholder is under no obligation to consider the separate interests of the other stockholders of the Corporation (including the tax consequences to such stockholders) in deciding whether to cause the Corporation to take (or decline to take) any action, and that, to the fullest extent permitted by law, the Class B Stockholder shall not be liable to the other stockholders of the Corporation for monetary damages or equitable relief for losses sustained, liabilities incurred or benefits not derived by such stockholders in connection with such decisions.

(b) To the fullest extent permitted by law, the Class B Stockholder may exercise any of the powers granted to it by this Certificate of Incorporation and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the Class B Stockholder shall not be responsible for any misconduct, negligence or wrongdoing on the part of any such agent appointed by the Class B Stockholder in good faith.

(c) To the fullest extent permitted by law, in connection with any action taken with respect to the Corporate Group, the Class B Stockholder may (i) rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties and (ii) consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and, to the fullest extent permitted by law, any act taken or omitted to be taken in reliance upon the advice or opinion (including an Opinion of Counsel) of such Persons as to matters that the Class B Stockholder reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such advice or opinion.

(d) The Class B Stockholder may, upon written request to the Corporation, be reimbursed for all direct and indirect expenses the Class B Stockholder incurs in connection with any action taken with respect to the Corporate Group. Reimbursements pursuant to this Section 16.03 shall be in addition to any reimbursement to the Class B Stockholder as a result of indemnification pursuant to Section 16.01 .

ARTICLE XVII

MEETINGS OF STOCKHOLDERS, ACTION WITHOUT A MEETING

Section 17.01 Special Meetings . Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of (i) the Board of Directors, (ii) the Class B Stockholder or (iii) if at any time stockholders of the Corporation other than the Class B Stockholder are entitled under applicable law or this Certificate of Incorporation to vote on the specific matters proposed to be brought before a special meeting, stockholders of the Corporation representing 50% or more of the voting power of the Outstanding stock of the Corporation of the class or classes for which a meeting is proposed and relating to such matters for which such class or classes are entitled to vote at such meeting. For the avoidance of doubt, the Class A Common Stock and Class C Common Stock shall not constitute separate classes for this purpose. Stockholders of the Corporation shall call a special meeting by delivering to the Board of Directors one or more requests in writing stating that the signing stockholders wish to call a special meeting and indicating the purposes for which the special meeting is to be called. Within 60 days after receipt of such a call from stockholders or within such greater time as may be reasonably necessary for the Corporation to comply with any statutes, rules, regulations, listing, agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, notice of such meeting shall be given in accordance with the DGCL. A special meeting shall be held at a time and place determined by the Board of Directors in its sole discretion on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting.

Section 17.02 Adjournment. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 30 days. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new Record Date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the Record Date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the Record Date so fixed for notice of such adjourned meeting.

Section 17.03 Quorum. The stockholders of the Corporation holding a majority of the voting power of the Outstanding stock of the class or classes entitled to vote at a meeting (including stock of the Corporation deemed owned by the Class B Stockholder) represented in person or by proxy shall constitute a quorum at a meeting of stockholders of such class or classes unless any such action by the stockholders of the Corporation requires approval by stockholders holding a greater percentage of the voting power of such stock, in which case the quorum shall be such greater percentage. For the avoidance of doubt, the Class A Common Stock and the Class C Common Stock shall not constitute separate classes for this purpose except as otherwise required by applicable law. At any meeting of the stockholders of the Corporation duly called and held in accordance with this Certificate of Incorporation at which a quorum is present, the act of stockholders holding Outstanding stock of the Corporation that in the aggregate represents a majority of the voting power of the Outstanding stock entitled to vote at such meeting shall be deemed to constitute the act of all stockholders, unless a greater or different percentage is required with respect to such action under this Certificate of Incorporation or applicable law, in which case the act of the stockholders holding Outstanding stock that in the aggregate represents at least such greater or different percentage of the voting power shall be required. The stockholders present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of the voting power of Outstanding stock of the Corporation specified in this Certificate of Incorporation (including Outstanding stock of the Corporation deemed owned by the Class B Stockholder). In the absence of a quorum, any meeting of stockholders may be adjourned from time to time by the affirmative vote of stockholders holding at least a majority of the voting power of the Outstanding stock of the Corporation present and entitled to vote at such meeting (including Outstanding stock of the Corporation deemed owned by the Class B Stockholder) represented either in person or by proxy, but no other business may be transacted, except as provided in Section 17.02.

Section 17.04 Conduct of a Meeting . To the fullest extent permitted by law, the Board of Directors shall have full power and authority concerning the manner of conducting any meeting of the stockholders of the Corporation or solicitation of approvals in writing, including the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 17.01 , the conduct of voting, the validity and effect of any proxies, the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting and similar matters. The Board of Directors shall designate a Person to serve as chairman of any meeting, who, to the fullest extent permitted by law, shall, among other things, be entitled to exercise the powers of the Board of Directors set forth in this Section 17.04 , and the Board of Directors shall further designate a Person to take the minutes of any meeting. All minutes shall be kept with the records of the Corporation. The Board of Directors may make such other regulations consistent with applicable law and this Certificate of Incorporation as it may deem necessary or advisable concerning the conduct of any meeting of the stockholders or solicitation of stockholder action by written consent in lieu of a meeting, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of ballots, proxies and written consents. Unless the Bylaws provide otherwise, elections of directors need not be by written ballot.

Section 17.05 Action Without a Meeting . If consented to by the Board of Directors in writing (which consent shall not be required with respect to any action to be taken solely by the Class B Stockholder), any action that may be taken at a meeting of the stockholders entitled to vote may be taken without a meeting, without a vote and without prior notice, if a consent or consents in writing setting forth the action so taken are signed by stockholders owning not less than the minimum percentage of the voting power of the Outstanding stock of the Corporation (including stock of the Corporation deemed owned by the Class B Stockholder) that would be necessary to authorize or take such action at a meeting at which all the stockholders entitled to vote were present and voted and such consent or consents are delivered in the manner contemplated by Section 228 of the DGCL (unless such provision conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the stock of the Corporation or a class thereof are listed for trading, in which case the rule, regulation, guideline or requirement of such exchange shall govern). Prompt notice of the taking of action without a meeting shall be given to the stockholders of the Corporation entitled thereto pursuant to the DGCL.

ARTICLE XVIII

BOOKS, RECORDS, ACCOUNTING

Section 18.01 Records and Accounting . The Corporation shall keep or cause to be kept at the principal office of the Corporation or any other place designated by the Board of Directors appropriate books and records with respect to the Corporation's business. Any books and records maintained by or on behalf of the Corporation in the regular course of its business, including the record of the Record Holders of stock of the Corporation or options, rights, warrants or appreciation rights relating to stock of the Corporation, books of account and records of Corporation proceedings, may be kept on, or be in the form of, computer disks, hard drives, magnetic tape, photographs, micrographics or any other information storage device; provided that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Corporation shall be maintained, for financial reporting purposes, on an accrual basis in accordance with U.S. GAAP.

Section 18.02 Fiscal Year . The fiscal year of the Corporation (each, a " Fiscal Year ") shall be a year ending December 31. The Board of Directors, subject to the approval of the Class B Stockholder in accordance with Section 11.01(e) , may change the Fiscal Year of the Corporation at any time and from time to time in each case as may be required or permitted under the Code or applicable United States Treasury Regulations and shall notify the stockholders of such change in the next regular communication to stockholders.

ARTICLE XIX

NOTICE AND WAIVER OF NOTICE

Section 19.01 Notice .

(a) Any notice, demand, request, report, document or proxy materials required or permitted to be given or made to a stockholder pursuant to this Certificate of Incorporation shall be in writing and shall be deemed given or made when delivered in person, when sent by first class United States mail or by other means of written communication to the stockholder at the address in Section 19.01(b) , or when made in any other manner, including by press release, if permitted by applicable law.

(b) Except as otherwise provided by law, any payment, distribution or other matter to be given or made to a stockholder hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, when delivered in person or upon sending of such payment, distribution or other matter to the Record Holder of such shares of stock of the Corporation at his or her address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Corporation, regardless of any claim of any Person who may have an interest in such shares by reason of any assignment or otherwise.

(c) Notwithstanding the foregoing, if (i) a stockholder shall consent to receiving notices, demands, requests, reports, documents or proxy materials via electronic mail or by the Internet or (ii) the rules of the Commission shall permit any report or proxy materials to be delivered electronically or made available via the Internet, any such notice, demand, request, report or proxy materials shall be deemed given or made in accordance with Section 232 of the DGCL, as applicable, or otherwise when delivered or made available via such mode of delivery.

(d) An affidavit or certificate of making of any notice, demand, request, report, document, proxy material, payment, distribution or other matter in accordance with the provisions of this Section 19.01 executed by the Corporation, the Transfer Agent, their agents or the mailing organization shall be prima facie evidence of the giving or making of such notice, demand, request, report, document, proxy material, payment, distribution or other matter. Any notice to the Corporation shall be deemed given if received in writing by the Corporation at its principal office. To the fullest extent permitted by law, the Corporation may rely and shall be protected in relying on any notice or other document from a stockholder if believed by it to be genuine.

Section 19.02 Waiver of Notice . A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such Person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such Person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting (in Person or by remote communication) shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened .

ARTICLE XX

EXCLUSIVE JURISDICTION

Each stockholder of the Corporation and each Person holding any beneficial interest in the Corporation (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise), to the fullest extent permitted by law, (i) irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to this Certificate of Incorporation (including any claims, suits or actions to interpret, apply or enforce (A) the provisions of this Certificate of Incorporation or the Bylaws, (B) the duties, obligations or liabilities of the Corporation to the stockholders of the Corporation, or of stockholders of the Corporation to the Corporation, or among stockholders of the Corporation, (C) the rights or powers of, or restrictions on, the Corporation or any stockholder of the Corporation, (D) any provision of the DGCL, or (E) any other instrument, document, agreement or certificate contemplated by any provision of the DGCL relating to the Corporation (regardless of whether such claims, suits, actions or proceedings (x) sound in contract, tort, fraud or otherwise, (y) are based on common law, statutory, equitable, legal or other grounds, or (z) are derivative or direct claims)), shall be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, any other court in the State of Delaware with subject matter jurisdiction; (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper; (iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding; (v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such service shall constitute good and sufficient service of process and notice thereof; provided , that nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law; and (vi) irrevocably waives any and all right to trial by jury in any such claim, suit, action or proceeding.

ARTICLE XXI

TERMS OF SERIES A PREFERRED STOCK

Section 21.01 Designation. The Series A Preferred Stock is hereby designated and created as a series of Preferred Stock. Each share of Series A Preferred Stock shall be identical in all respects to every other share of Series A Preferred Stock. The Series A Preferred Stock is not "Designated Stock" for purposes of this Certificate of Incorporation. The Series A Preferred Stock ranks equally with the Series B Preferred Stock with respect to payment of dividends and distributions of assets upon a Dissolution Event.

Section 21.02 Definitions. The following terms apply only to this Article XXI of this Certificate of Incorporation.

" Below Investment Grade Rating Event " means (x) the rating on any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is lowered in respect of a Change of Control and (y) any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is rated below Investment Grade by both Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended until the ratings are announced if during such 60-day period the rating of any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is under publicly announced consideration for possible downgrade by either of the Rating Agencies); provided , that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Event hereunder) if a Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Corporation in writing at the Corporation's request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

" Change of Control " means the occurrence of the following:

(i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the combined assets of the KKR Issuer Group taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than to a Continuing KKR Person; or

(ii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act or any successor provision), other than a Continuing KKR Person, becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act or any successor provision) of a majority of the controlling interests in (i) the Corporation or (ii) one or more of the Corporation, the Group Partnerships and any other entity that, as of the relevant time, is a guarantor to any series of KKR Senior Notes that together hold all or substantially all of the assets of the KKR Issuer Group taken as a whole.

" Change of Control Event " means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

" Continuing KKR Person " means, immediately prior to and immediately following any relevant date of determination, (i) an individual who (a) is an executive of the KKR Group, (b) devotes substantially all of his or her business and professional time to the activities of the KKR Group and (c) did not become an executive of the KKR Group or begin devoting substantially all of his or her business and professional time to the activities of the KKR Group in contemplation of a Change of Control, or (ii) any Person in which any one or more of such individuals directly or indirectly, singly or as a group, holds a majority of the controlling interests.

" Dividend Payment Date " means March 15, June 15, September 15 and December 15 of each year, commencing June 15, 2016.

" Dividend Period " means the period from and including a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period commences on and includes March 17, 2016.

" Fitch " means Fitch Ratings Inc. or any successor thereto.

" Investment Grade " means, with respect to Fitch, a rating of BBB- or better (or its equivalent under any successor rating categories of Fitch) and, with respect to S&P, a rating of BBB- or better (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate a series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, ceases to assign a long-term issuer rating to the Corporation) for reasons outside of the Corporation's control, the equivalent investment grade credit rating from any Rating Agency selected by the Board of Directors as a replacement Rating Agency).

" Junior Stock " means Common Stock and any other equity securities that the Corporation may issue in the future ranking, as to the payment of dividends and distributions of assets upon a Dissolution Event, junior to the Series A Preferred Stock.

" KKR Group " means the Group Partnerships, the direct and indirect parents (including, without limitation, general partners) of the Group Partnerships (the " Parent Entities "), any direct or indirect subsidiaries of the Parent Entities or the Group Partnerships, the general partner or similar controlling entities of any investment or vehicle that is managed, advised or sponsored by the KKR Group (a " KKR Fund "), and any other entity through which any of the foregoing directly or indirectly conduct its business, but shall exclude any company in which a KKR Fund has an investment. For purposes of this definition "subsidiary" means, with respect to any Person, any subsidiary of such Person that is or would be consolidated with such Person in the preparation of segment information with respect to the combined financial statements of such Person prepared in accordance with U.S. GAAP and shall not include (x) any private equity or other investment fund or vehicle or (y) any portfolio company of any such fund or vehicle.

" KKR Issuer Group " means the Corporation, the Group Partnerships and any other entity that, as of the relevant time, is a guarantor to any series of KKR Senior Notes, and their direct and indirect subsidiaries (to the extent of their economic ownership interest in such subsidiaries) taken as a whole. For purposes of this definition "subsidiary" means, with respect to any Person, any subsidiary of such Person that is or would be consolidated with such Person in the preparation of segment information with respect to the combined financial statements of such Person prepared in accordance with U.S. GAAP and shall not include (x) any private equity or other investment fund or vehicle or (y) any portfolio company of any such fund or vehicle.

" KKR Senior Notes " means (i) the 6.375% Senior Notes due 2020 issued by KKR Group Finance Co. LLC, (ii) the 5.500% Senior Notes due 2043 issued by KKR Group Finance Co. II LLC and (iii) the 5.125% Senior Notes due 2044 issued by KKR Group Finance Co. III LLC, or similar series of senior unsecured debt securities, and in each case, guaranteed by the Corporation and the Group Partnerships.

" Nonpayment " has the meaning set forth in Section 21.07(a) .

" Parity Stock " means any stock of the Corporation, including Preferred Stock, that the Corporation may authorize or issue, the terms of which provide that such securities shall rank equally with the Series A Preferred Stock with respect to payment of dividends and distribution of assets upon a Dissolution Event.

" Person " means, with respect to this Article XXI only, an individual, a corporation, a partnership, a limited liability company, an association, a trust, or any other entity including government or political subdivision or an agency or instrumentality thereof.

" Rating Agency " means:

(i) each of Fitch and S&P; and

(ii) if either of Fitch or S&P ceases to rate any series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, ceases to assign a long-term issuer rating to the Corporation) or fails to make a rating of any series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the long-term issuer rating of the Corporation) publicly available for reasons outside of the Corporation's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by the Board of Directors as a replacement agency for Fitch or S&P, or both, as the case may be.

" S&P " means Standard & Poor's Ratings Services, a division of McGraw-Hill Financial, Inc., or any successor thereto.

" Series A Dividend Rate " means 6.75%.

" Series A Holder " means a holder of Series A Preferred Stock.

" Series A Liquidation Preference " means $25.00 per share of Series A Preferred Stock.

" Series A Liquidation Value " means the sum of the Series A Liquidation Preference and declared and unpaid dividends, if any, to, but excluding, the date of the Dissolution Event on the Series A Preferred Stock.

" Series A Preferred Stock " means the 6.75% Series A Preferred Stock having the designations, rights, powers and preferences set forth in this Article XXI .

" Series A Record Date " means, with respect to any Dividend Payment Date, the March 1, June 1, September 1 or December 1, as the case may be, immediately preceding the relevant March 15, June 15, September 15 or December 15 Dividend Payment Date, respectively. These Series A Record Dates shall apply regardless of whether a particular Series A Record Date is a Business Day. The Series A Record Dates shall constitute Record Dates with respect to the Series A Preferred Stock for the purpose of dividends on the Series A Preferred Stock.

" Voting Preferred Stock " has the meaning set forth in Section 21.07(a) .

Section 21.03 Dividends .

(a) The Series A Holders shall be entitled to receive with respect to each share of Series A Preferred Stock owned by such holder, when, as and if declared by the Board of Directors, or a duly authorized committee thereof, in its sole discretion out of funds legally available therefor, non-cumulative quarterly cash dividends, on the applicable Dividend Payment Date that corresponds to the Record Date for which the Board of Directors has declared a dividend, if any, at a rate per annum equal to the Series A Dividend Rate (subject to Section 21.06(c)) of the Series A Liquidation Preference. Such dividends shall be non-cumulative. If a Dividend Payment Date is not a Business Day, the related dividend (if declared) shall be paid on the next succeeding Business Day with the same force and effect as though paid on such Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment. Dividends payable on the Series A Preferred Stock for any period less than a full Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in such period. Declared dividends will be payable on the relevant Dividend Payment Date to Series A Holders as they appear on the Corporation's register at the close of business, New York City time, on a Series A Record Date, provided that if the Series A Record Date is not a Business Day, the declared dividends will be payable on the relevant Dividend Payment Date to Series A Holders as they appear on the Corporation's register at the close of business, New York City time on the Business Day immediately preceding such Series A Record Date.

(b) So long as any shares of Series A Preferred Stock are Outstanding, (i) no dividend, whether in cash or property, may be declared or paid or set apart for payment on the Junior Stock for the then-current quarterly Dividend Period (other than dividends paid in Junior Stock or options, warrants or rights to subscribe for or purchase Junior Stock) and (ii) the Corporation and its Subsidiaries shall not directly or indirectly repurchase, redeem or otherwise acquire for consideration any Junior Stock, unless, in each case, dividends have been declared and paid or declared and set apart for payment on the Series A Preferred Stock for the then-current quarterly Dividend Period.

(c) The Board of Directors, or a duly authorized committee thereof, may, in its sole discretion, choose to pay dividends on the Series A Preferred Stock without the payment of any dividends on any Junior Stock.

(d) When dividends are not declared and paid (or duly provided for) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related Dividend Period) in full upon the Series A Preferred Stock or any Parity Stock, all dividends declared upon the Series A Preferred Stock and all such Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the related Dividend Period) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all declared and unpaid dividends per share on the Series A Preferred Stock and all accumulated unpaid dividends on all Parity Stock payable on such Dividend Payment Date (or in the case of non-cumulative Parity Stock, unpaid dividends for the then-current Dividend Period (whether or not declared) and in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates pertaining to the Series A Preferred Stock, on a dividend payment date falling within the related Dividend Period) bear to each other.

(e) No dividends may be declared or paid or set apart for payment on any Series A Preferred Stock if at the same time any arrears exist or default exists in the payment of dividends on any Outstanding stock of the Corporation ranking, as to the payment of dividends and distribution of assets upon a Dissolution Event, senior to the Series A Preferred Stock, subject to any applicable terms of such Outstanding stock of the Corporation.

(f) Series A Holders shall not be entitled to any dividends, whether payable in cash or property, other than as provided in this Certificate of Incorporation and shall not be entitled to interest, or any sum in lieu of interest, in respect of any dividend payment, including any such payment which is delayed or foregone.

Section 21.04 Rank . The Series A Preferred Stock shall rank, with respect to payment of dividends and distribution of assets upon a Dissolution Event:

(a) junior to all of the Corporation’s existing and future indebtedness and any equity securities, including Preferred Stock, that the Corporation may authorize or issue, the terms of which provide that such securities shall rank senior to the Series A Preferred Stock with respect to payment of dividends and distribution of assets upon a Dissolution Event;

(b) equally to any Parity Stock; and

(c) senior to any Junior Stock.

Section 21.05 Optional Redemption .

(a) Except as set forth in Section 21.06 , the Series A Preferred Stock shall not be redeemable prior to June 15, 2021. At any time or from time to time on or after June 15, 2021, subject to any limitations that may be imposed by law, the Corporation may, in the sole discretion of the Board of Directors, redeem the Series A Preferred Stock, in whole or in part, at a redemption price equal to the Series A Liquidation Preference per share of Series A Preferred Stock plus an amount equal to declared and unpaid dividends, if any, from the Dividend Payment Date immediately preceding the redemption date to, but excluding, the redemption date. If less than all of the Outstanding Series A Preferred Stock are to be redeemed, the Board of Directors shall select the Series A Preferred Stock to be redeemed from the Outstanding Series A Preferred Stock not previously called for redemption by lot or pro rata (as nearly as possible).

(b) In the event the Corporation shall redeem any or all of the Series A Preferred Stock as aforesaid in Section 21.05(a) , the Corporation shall give notice of any such redemption to the Series A Holders (which such notice may be delivered prior to June 15, 2021) not more than 60 nor less than 30 days prior to the date fixed for such redemption. Failure to give notice to any Series A Holder shall not affect the validity of the proceedings for the redemption of any Series A Preferred Stock being redeemed.

(c) Notice having been given as herein provided and so long as funds sufficient to pay the redemption price for all of the Series A Preferred Stock called for redemption have been set aside for payment, from and after the redemption date, such Series A Preferred Stock called for redemption shall no longer be deemed Outstanding, and all rights of the Series A Holders thereof shall cease other than the right to receive the redemption price, without interest.

(d) The Series A Holders shall have no right to require redemption of any Series A Preferred Stock.

(e) Without limiting Section 21.05(c) , if the Corporation shall deposit, on or prior to any date fixed for redemption of Series A Preferred Stock (pursuant to notice delivered in accordance with Section 21.05(b)), with any bank or trust company as a trust fund, a fund sufficient to redeem the Series A Preferred Stock called for redemption, with irrevocable instructions and authority to such bank or trust company to pay on and after the date fixed for redemption or such earlier date as the Board of Directors may determine, to the respective Series A Holders, the redemption price thereof, then from and after the date of such deposit (although prior to the date fixed for redemption) such Series A Preferred Stock so called shall be deemed to be redeemed and such deposit shall be deemed to constitute full payment of said Series A Preferred Stock to the holders thereof and from and after the date of such deposit said Series A Preferred Stock shall no longer be deemed to be Outstanding, and the holders thereof shall cease to be holders with respect to such Series A Preferred Stock, and shall have no rights with respect thereto except only the right to receive from said bank or trust company, on the redemption date or such earlier date as the Board of Directors may determine, payment of the redemption price of such Series A Preferred Stock without interest.

Section 21.06 Change of Control Redemption .

(a) If a Change of Control Event occurs prior to June 15, 2021, within 60 days of the occurrence of such Change of Control Event, the Corporation may, in the sole discretion of the Board of Directors, redeem the Series A Preferred Stock, in whole but not in part, out of funds legally available therefor, at a redemption price equal to $25.25 per share of Series A Preferred Stock plus an amount equal to any declared and unpaid dividends to, but excluding, the redemption date.

(b) In the event the Corporation elects to redeem all of the Series A Preferred Stock as aforesaid in Section 21.06(a) , the Corporation shall give notice of any such redemption to the Series A Holders at least 30 days prior to the date fixed for such redemption.

(c) If (i) a Change of Control Event occurs (whether before, on or after June 15, 2021) and (ii) the Corporation does not give notice to the Series A Holders prior to the 31st day following the Change of Control Event to redeem all the Outstanding Series A Preferred Stock, the Series A Dividend Rate shall increase by 5.00%, beginning on the 31st day following the consummation of such Change of Control Event.

(d) In connection with any Change of Control and any particular reduction in the rating on a series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, a reduction in the Corporation's long-term issuer rating), the Board of Directors shall request from the Rating Agencies each such Rating Agency's written confirmation whether such reduction in the rating on each such series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of any Below Investment Grade Rating Event).

(e) The Series A Holders shall have no right to require redemption of any Series A Preferred Stock pursuant to this Section 21.06 .

Section 21.07 Voting.

(a) Notwithstanding any provision in this Certificate of Incorporation to the contrary, and except as set forth in this Section 21.07 , the Series A Preferred Stock shall not have any relative, participating, optional or other voting, consent or approval rights or powers, and the vote, consent or approval of the Series A Holders shall not be required for the taking of any action or inaction by the Corporation. If and whenever six quarterly dividends (whether or not consecutive) payable on the Series A Preferred Stock or six quarterly dividends (whether or not consecutive) payable on any series or class of Parity Stock have not been declared and paid (a " Nonpayment "), the number of directors then constituting the Board of Directors automatically shall be increased by two and the Series A Holders, voting together as a single class with the holders of any other class or series of Parity Stock then Outstanding upon which like voting rights have been conferred and are exercisable (any such other class or series, " Voting Preferred Stock "), shall have the right to elect these two additional directors at a meeting of the Series A Holders and the holders of such Voting Preferred Stock called as hereafter provided. When quarterly dividends have been declared and paid on the Series A Preferred Stock for four consecutive Dividend Periods following the Nonpayment, then the right of the Series A Holders and the holders of such Voting Preferred Stock to elect such two additional directors shall cease and all directors elected by the Series A Holders and holders of the Voting Preferred Stock shall forthwith cease to be qualified and their terms shall forthwith terminate immediately and the number of directors constituting the whole Board of Directors automatically shall be reduced by two. However, the right of the Series A Holders and the holders of the Voting Preferred Stock to elect two additional directors on the Board of Directors shall again vest if and whenever six additional quarterly dividends have not been declared and paid, as described above.

(b) If a Nonpayment or a subsequent Nonpayment shall have occurred, the Secretary of the Corporation may, and upon the written request of any holder of Series A Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the Series A Holders and holders of the Voting Preferred Stock for the election of the two directors to be elected by them. The directors elected at any such special meeting shall hold office until the next annual meeting or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. The Board of Directors shall, in its sole discretion, determine a date for a special meeting applying procedures consistent with Article XVII in connection with the expiration of the term of the two directors elected pursuant to this Section 21.07 . The Series A Holders and holders of the Voting Preferred Stock, voting together as a class, may remove any director elected by the Series A Holders and holders of the Voting Preferred Stock pursuant to this Section 21.07 . If any vacancy shall occur among the directors elected by the Series A Holders and holders of the Voting Preferred Stock, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by the Series A Holders and holders of the Voting Preferred Stock or the successor of such remaining director, to serve until the next special meeting (convened as set forth in the immediately preceding sentence) held in place thereof if such office shall not have previously terminated as above provided. Except to the extent expressly provided otherwise in this Section 21.07 , any such annual or special meeting shall be called and held applying procedures consistent with Article XVII as if references to stockholders of the Corporation were references to Series A Holders and holders of Voting Preferred Stock.

(c) Notwithstanding anything to the contrary in Article VIII , XI or XVII but subject to Section 21.07(d) , so long as any shares of Series A Preferred Stock are Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Series A Holders and holders of the Voting Preferred Stock, at the time Outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary:

(i) to amend, alter or repeal any of the provisions of this Article XXI relating to the Series A Preferred Stock or any series of Voting Preferred Stock, whether by merger, consolidation or otherwise, to affect materially and adversely the rights, powers and preferences of the Series A Holders or holders of the Voting Preferred Stock; and

(ii) to authorize, create or increase the authorized amount of, any class or series of Preferred Stock having rights senior to the Series A Preferred Stock with respect to the payment of dividends or amounts upon any Dissolution Event;

provided , however , that,

(X) in the case of subparagraph (i) above, no such vote of the Series A Preferred Stock or the Voting Preferred Stock, as the case may be, shall be required if in connection with any such amendment, alteration or repeal, by merger, consolidation or otherwise, each Series A Preferred Stock and Voting Preferred Stock remains Outstanding without the terms thereof being materially and adversely changed in any respect to the holders thereof or is converted into or exchanged for preferred equity securities of the surviving entity having the rights, powers and preferences thereof substantially similar to those of such Series A Preferred Stock or the Voting Preferred Stock, as the case may be;

(Y) in the case of subparagraph (i) above, if such amendment affects materially and adversely the rights, powers and preferences of one or more but not all of the classes or series of Voting Preferred Stock and the Series A Preferred Stock at the time Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all such classes or series of Voting Preferred Stock and the Series A Preferred Stock so affected, voting as a single class regardless of class or series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of (or, if such consent is required by law, in addition to) the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Voting Preferred Stock and the Series A Preferred Stock otherwise entitled to vote as a single class in accordance herewith; and

(Z) in the case of subparagraph (i) or (ii) above, no such vote of the Series A Holders or holders of the Voting Preferred Stock, as the case may be, shall be required if, at or prior to the time when such action is to take effect, provision is made for the redemption of all Series A Preferred Stock or Voting Preferred Stock, as the case may be, at the time Outstanding.

(d) For the purposes of this Section 21.07 , neither:

(i) the amendment of provisions of this Certificate of Incorporation so as to authorize or create or issue, or to increase the authorized amount of, any Junior Stock or any Parity Stock; nor

(ii) any merger, consolidation or otherwise, in which (1) the Corporation is the surviving entity and the Series A Preferred Stock remains Outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series A Preferred Stock for other preferred equity securities having rights, powers and preferences (including with respect to redemption thereof) substantially similar to that of the Series A Preferred Stock under this Certificate of Incorporation (except for changes that do not materially and adversely affect the Series A Preferred Stock considered as a whole) shall be deemed to materially and adversely affect the rights, powers and preferences of the Series A Preferred Stock or holders of Voting Preferred Stock.

(e) For purposes of the foregoing provisions of this Section 21.07 , each Series A Holder shall have one vote per share of Series A Preferred Stock, except that when any other series of Preferred Stock shall have the right to vote with the Series A Preferred Stock as a single class on any matter, then the Series A Holders and the holders of such other series of Preferred Stock shall have with respect to such matters one vote per $25.00 of stated liquidation preference.

(f) The Corporation may, from time to time, without notice to or consent of the Series A Holders or holders of other Parity Stock, issue additional shares of Series A Preferred Stock.

Section 21.08 Liquidation Rights .

(a) Upon any Dissolution Event, after payment or provision for the liabilities of the Corporation (including the expenses of such Dissolution Event) and the satisfaction of all claims ranking senior to the Series A Preferred Stock in accordance with Section 5.04 , the Series A Holders shall be entitled to receive out of the assets of the Corporation or proceeds thereof available for distribution to stockholders of the Corporation, before any payment or distribution of assets is made in respect of Junior Stock, distributions equal to the Series A Liquidation Value.

(b) If the assets of the Corporation available for distribution upon a Dissolution Event are insufficient to pay in full the aggregate amount payable to the Series A Holders and holders of all other Outstanding Parity Stock, if any, such assets shall be distributed to the Series A Holders and holders of such Parity Stock pro rata, based on the full respective distributable amounts to which each such holder is entitled pursuant to this Section 21.08 .

(c) Nothing in this Section 21.08 shall be understood to entitle the Series A Holders to be paid any amount upon the occurrence of a Dissolution Event until holders of any classes or series of stock ranking, as to the distribution of assets upon a Dissolution Event, senior to the Series A Preferred Stock have been paid all amounts to which such classes or series of stock are entitled.

(d) For the purposes of this Certificate of Incorporation, neither the sale, conveyance, exchange or transfer, for cash, stock, securities or other consideration, of all or substantially all of the Corporation's property or assets nor the consolidation, merger or amalgamation of the Corporation with or into any other entity or the consolidation, merger or amalgamation of any other entity with or into the Corporation shall be deemed to be a Dissolution Event, notwithstanding that for other purposes, such as for tax purposes, such an event may constitute a liquidation, dissolution or winding up. In addition, notwithstanding anything to the contrary in this Section 21.08 , no payment will be made to the Series A Holders pursuant to this Section 21.08 (i) upon the voluntary or involuntary liquidation, dissolution or winding up of any of the Corporation's Subsidiaries or upon any reorganization of the Corporation into another limited liability entity pursuant to the provisions of this Certificate of Incorporation that allow the Corporation to merge or convey its assets to another limited liability entity with or without approval of the stockholders of the Corporation (including a transaction pursuant to Section 8.03) or (ii) if the Corporation engages in a reorganization or other transaction in which a successor to the Corporation issues equity securities to the Series A Holders that have rights, powers and preferences that are substantially similar to the rights, powers and preferences of the Series A Preferred Stock pursuant to provisions of this Certificate of Incorporation that allow the Corporation to do so without approval of the stockholders of the Corporation.

Section 21.09 No Duties to Series A Holders . Notwithstanding anything to the contrary in this Certificate of Incorporation, t o the fullest extent permitted by law, neither the Class B Stockholder nor any other Indemnitee shall have any duties or liabilities to the Series A Holders.

ARTICLE XXII

TERMS OF SERIES B PREFERRED STOCK

Section 22.01 Designation . The Series B Preferred Stock is hereby designated and created as a series of Preferred Stock. Each share of Series B Preferred Stock shall be identical in all respects to every other share of Series B Preferred Stock. The Series B Preferred Stock is not "Designated Stock" for purposes of this Certificate of Incorporation. The Series B Preferred Stock ranks equally with the Series A Preferred Stock with respect to payment of dividends and distributions of assets upon a Dissolution Event.

Section 22.02 Definitions . The following terms apply only to this Article XXII of this Certificate of Incorporation.

" Below Investment Grade Rating Event " means (x) the rating on any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is lowered by either of the Rating Agencies in respect of a Change of Control and (y) any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is rated below Investment Grade by both Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended until the ratings are announced if during such 60-day period the rating of any series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) is under publicly announced consideration for possible downgrade by either of the Rating Agencies); provided , that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Event hereunder) if a Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Corporation in writing at the Corporation's request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

" Change of Control " means the occurrence of the following:

(i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the combined assets of the KKR Issuer Group taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than to a Continuing KKR Person; or

(ii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act or any successor provision), other than a Continuing KKR Person, becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act or any successor provision) of a majority of the controlling interests in (i) the Corporation or (ii) one or more of the Corporation, the Group Partnerships and any other entity that, as of the relevant time, is a guarantor to any series of KKR Senior Notes that together hold all or substantially all of the assets of the KKR Issuer Group taken as a whole.

" Change of Control Event " means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

" Continuing KKR Person " means, immediately prior to and immediately following any relevant date of determination, (i) an individual who (a) is an executive of the KKR Group, (b) devotes substantially all of his or her business and professional time to the activities of the KKR Group and (c) did not become an executive of the KKR Group or begin devoting substantially all of his or her business and professional time to the activities of the KKR Group in contemplation of a Change of Control, or (ii) any Person in which any one or more of such individuals directly or indirectly, singly or as a group, holds a majority of the controlling interests.

" Dividend Payment Date " means March 15, June 15, September 15 and December 15 of each year, commencing September 15, 2016.

" Dividend Period " means the period from and including a Dividend Payment Date to, but excluding, the next Dividend Payment Date, except that the initial Dividend Period commences on and includes June 20, 2016.

" Fitch " means Fitch Ratings Inc. or any successor thereto.

" Investment Grade " means, with respect to Fitch, a rating of BBB- or better (or its equivalent under any successor rating categories of Fitch) and, with respect to S&P, a rating of BBB- or better (or its equivalent under any successor rating categories of S&P) (or, in each case, if such Rating Agency ceases to rate a series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, ceases to assign a long-term issuer rating to the Corporation) for reasons outside of the Corporation's control, the equivalent investment grade credit rating from any Rating Agency selected by the Board of Directors as a replacement Rating Agency).

" Junior Stock " means Common Stock and any other equity securities that the Corporation may issue in the future ranking, as to the payment of dividends and distributions of assets upon a Dissolution Event, junior to the Series B Preferred Stock.

" KKR Group " means the Group Partnerships, the direct and indirect parents (including, without limitation, general partners) of the Group Partnerships (the " Parent Entities "), any direct or indirect subsidiaries of the Parent Entities or the Group Partnerships, the general partner or similar controlling entities of any investment or vehicle that is managed, advised or sponsored by the KKR Group (a " KKR Fund "), and any other entity through which any of the foregoing directly or indirectly conduct its business, but shall exclude any company in which a KKR Fund has an investment. For purposes of this definition "subsidiary" means, with respect to any Person, any subsidiary of such Person that is or would be consolidated with such Person in the preparation of segment information with respect to the combined financial statements of such Person prepared in accordance with U.S. GAAP and shall not include (x) any private equity or other investment fund or vehicle or (y) any portfolio company of any such fund or vehicle.

" KKR Issuer Group " means the Corporation, the Group Partnerships and any other entity that, as of the relevant time, is a guarantor to any series of KKR Senior Notes, and their direct and indirect subsidiaries (to the extent of their economic ownership interest in such subsidiaries) taken as a whole. For purposes of this definition "subsidiary" means, with respect to any Person, any subsidiary of such Person that is or would be consolidated with such Person in the preparation of segment information with respect to the combined financial statements of such Person prepared in accordance with U.S. GAAP and shall not include (x) any private equity or other investment fund or vehicle or (y) any portfolio company of any such fund or vehicle.

" KKR Senior Notes " means (i) the 6.375% Senior Notes due 2020 issued by KKR Group Finance Co. LLC, (ii) the 5.500% Senior Notes due 2043 issued by KKR Group Finance Co. II LLC and (iii) the 5.125% Senior Notes due 2044 issued by KKR Group Finance Co. III LLC, or similar series of senior unsecured debt securities, and in each case, guaranteed by the Corporation and the Group Partnerships.

" Nonpayment " has the meaning set forth in Section 22.07(a) .

" Parity Stock " means any stock of the Corporation, including Preferred Stock, that the Corporation has authorized or issued or may authorize or issue, the terms of which provide that such securities shall rank equally with the Series B Preferred Stock with respect to payment of dividends and distribution of assets upon a Dissolution Event.

" Person " means, with respect to this Article XXII only, an individual, a corporation, a partnership, a limited liability company, an association, a trust, or any other entity including government or political subdivision or an agency or instrumentality thereof.

" Rating Agency " means:

(i) each of Fitch and S&P; and

(ii) if either of Fitch or S&P ceases to rate any series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, ceases to assign a long-term issuer rating to the Corporation) or fails to make a rating of any series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the long-term issuer rating of the Corporation) publicly available for reasons outside of the Corporation's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by the Board of Directors as a replacement agency for Fitch or S&P, or both, as the case may be.

" S&P " means Standard & Poor's Ratings Services, a division of McGraw-Hill Financial, Inc., or any successor thereto.

" Series B Dividend Rate " means 6.50%.

" Series B Holder " means a holder of Series B Preferred Stock.

" Series B Liquidation Preference " means $25.00 per share of Series B Preferred Stock.

" Series B Liquidation Value " means the sum of the Series B Liquidation Preference and declared and unpaid dividends, if any, to, but excluding, the date of the Dissolution Event on the Series B Preferred Stock.

" Series B Preferred Stock " means the 6.50% Series B Preferred Stock having the designations, rights, powers and preferences set forth in this Article XXII .

" Series B Record Date " means, with respect to any Dividend Payment Date, the March 1, June 1, September 1 or December 1, as the case may be, immediately preceding the relevant March 15, June 15, September 15 or December 15 Dividend Payment Date, respectively. These Series B Record Dates shall apply regardless of whether a particular Series B Record Date is a Business Day. The Series B Record Dates shall constitute Record Dates with respect to the Series B Preferred Stock for the purpose of dividends on the Series B Preferred Stock.

" Voting Preferred Stock " has the meaning set forth in Section 22.07(a) .

Section 22.03 Dividends .

(a) The Series B Holders shall be entitled to receive with respect to each share of Series B Preferred Stock owned by such holder, when, as and if declared by the Board of Directors, or a duly authorized committee thereof, in its sole discretion out of funds legally available therefor, non-cumulative quarterly cash dividends, on the applicable Dividend Payment Date that corresponds to the Record Date for which the Board of Directors has declared a dividend, if any, at a rate per annum equal to the Series B Dividend Rate (subject to Section 22.06(c)) of the Series B Liquidation Preference. Such dividends shall be non-cumulative. If a Dividend Payment Date is not a Business Day, the related dividend (if declared) shall be paid on the next succeeding Business Day with the same force and effect as though paid on such Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment. Dividends payable on the Series B Preferred Stock for any period less than a full Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Declared dividends will be payable on the relevant Dividend Payment Date to Series B Holders as they appear on the Corporation's register at the close of business, New York City time, on a Series B Record Date, provided that if the Series B Record Date is not a Business Day, the declared dividends will be payable on the relevant Dividend Payment Date to Series B Holders as they appear on the Corporation's register at the close of business, New York City time on the Business Day immediately preceding such Series B Record Date.

(b) So long as any shares of Series B Preferred Stock are Outstanding, unless, in each case, dividends have been declared and paid or declared and set apart for payment on the Series B Preferred Stock for a quarterly Dividend Period, (i) no dividend, whether in cash or property, may be declared or paid or set apart for payment on the Junior Stock for the remainder of that quarterly Dividend Period (other than dividends paid in Junior Stock or options, warrants or rights to subscribe for or purchase Junior Stock) and (ii) the Corporation and its Subsidiaries shall not directly or indirectly repurchase, redeem or otherwise acquire for consideration any Junior Stock.

(c) The Board of Directors, or a duly authorized committee thereof, may, in its sole discretion, choose to pay dividends on the Series B Preferred Stock without the payment of any dividends on any Junior Stock.

(d) When dividends are not declared and paid (or duly provided for) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates pertaining to the Series B Preferred Stock, on a dividend payment date falling within the related Dividend Period) in full upon the Series B Preferred Stock or any Parity Stock, all dividends declared upon the Series B Preferred Stock and all such Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the related Dividend Period) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all declared and unpaid dividends per share on the Series B Preferred Stock and all unpaid dividends, including any accumulations, on all Parity Stock payable on such Dividend Payment Date (or in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates pertaining to the Series B Preferred Stock, on a dividend payment date falling within the related Dividend Period) bear to each other.

(e) No dividends may be declared or paid or set apart for payment on any Series B Preferred Stock if at the same time any arrears exist or default exists in the payment of dividends on any Outstanding stock of the Corporation ranking, as to the payment of dividends and distribution of assets upon a Dissolution Event, senior to the Series B Preferred Stock, subject to any applicable terms of such Outstanding stock of the Corporation.

(f) Series B Holders shall not be entitled to any dividends, whether payable in cash or property, other than as provided in this Certificate of Incorporation and shall not be entitled to interest, or any sum in lieu of interest, in respect of any dividend payment, including any such payment which is delayed or foregone.

Section 22.04 Rank .

The Series B Preferred Stock shall rank, with respect to payment of dividends and distribution of assets upon a Dissolution Event:

(a) junior to all of the Corporation's existing and future indebtedness and any equity securities, including Preferred Stock, that the Corporation may authorize or issue, the terms of which provide that such securities shall rank senior to the Series B Preferred Stock with respect to payment of dividends and distribution of assets upon a Dissolution Event;

(b) equally to any Parity Stock; and

(c) senior to any Junior Stock.

Section 22.05 Optional Redemption .

(a) Except as set forth in Section 22.06 , the Series B Preferred Stock shall not be redeemable prior to September 15, 2021. At any time or from time to time on or after September 15, 2021, subject to any limitations that may be imposed by law, the Corporation may, in the sole discretion of the Board of Directors, redeem the Series B Preferred Stock, out of funds legally available therefor, in whole or in part, at a redemption price equal to the Series B Liquidation Preference per share of Series B Preferred Stock plus an amount equal to declared and unpaid dividends, if any, from the Dividend Payment Date immediately preceding the redemption date to, but excluding, the redemption date. If less than all of the Outstanding Series B Preferred Stock are to be redeemed, the Board of Directors shall select the Series B Preferred Stock to be redeemed from the Outstanding Series B Preferred Stock not previously called for redemption by lot or pro rata (as nearly as possible).

(b) In the event the Corporation shall redeem any or all of the Series B Preferred Stock as aforesaid in Section 22.05(a) , the Corporation shall give notice of any such redemption to the Series B Holders (which such notice may be delivered prior to September 15, 2021) not more than 60 nor less than 30 days prior to the date fixed for such redemption. Failure to give notice to any Series B Holder shall not affect the validity of the proceedings for the redemption of any Series B Preferred Stock being redeemed.

(c) Notice having been given as herein provided and so long as funds legally available and sufficient to pay the redemption price for all of the Series B Preferred Stock called for redemption have been set aside for payment, from and after the redemption date, such Series B Preferred Stock called for redemption shall no longer be deemed Outstanding, and all rights of the Series B Holders thereof shall cease other than the right to receive the redemption price, without interest.

(d) The Series B Holders shall have no right to require redemption of any Series B Preferred Stock.

(e) Without limiting Section 22.05(c), if the Corporation shall deposit, on or prior to any date fixed for redemption of Series B Preferred Stock (pursuant to notice delivered in accordance with Section 22.05(b)), with any bank or trust company as a trust fund, a fund sufficient to redeem the Series B Preferred Stock called for redemption, with irrevocable instructions and authority to such bank or trust company to pay on and after the date fixed for redemption or such earlier date as the Board of Directors may determine, to the respective Series B Holders, the redemption price thereof, then from and after the date of such deposit (although prior to the date fixed for redemption) such Series B Preferred Stock so called shall be deemed to be redeemed and such deposit shall be deemed to constitute full payment of said Series B Preferred Stock to the holders thereof and from and after the date of such deposit said Series B Preferred Stock shall no longer be deemed to be Outstanding, and the holders thereof shall cease to be holders with respect to such Series B Preferred Stock, and shall have no rights with respect thereto except only the right to receive from said bank or trust company, on the redemption date or such earlier date as the Board of Directors may determine, payment of the redemption price of such Series B Preferred Stock without interest.

Section 22.06 Change of Control Redemption.

(a) If a Change of Control Event occurs prior to September 15, 2021, within 60 days of the occurrence of such Change of Control Event, the Corporation may, in the sole discretion of the Board of Directors, redeem the Series B Preferred Stock, in whole but not in part, out of funds legally available therefor, at a redemption price equal to $25.25 per share of Series B Preferred Stock plus an amount equal to any declared and unpaid dividends to, but excluding, the redemption date.

(b) In the event the Corporation elects to redeem all of the Series B Preferred Stock as aforesaid in Section 22.06(a), the Corporation shall give notice of any such redemption to the Series B Holders at least 30 days prior to the date fixed for such redemption.

(c) If (i) a Change of Control Event occurs (whether before, on or after September 15, 2021) and (ii) the Corporation does not give notice to the Series B Holders prior to the 31st day following the Change of Control Event to redeem all the Outstanding Series B Preferred Stock, the Series B Dividend Rate shall increase by 5.00%, beginning on the 31st day following the consummation of such Change of Control Event.

(d) In connection with any Change of Control and any particular reduction in the rating on a series of the KKR Senior Notes (or, if no KKR Senior Notes are outstanding, a reduction in the Corporation's long-term issuer rating), the Board of Directors shall request from the Rating Agencies each such Rating Agency's written confirmation whether such reduction in the rating on each such series of KKR Senior Notes (or, if no KKR Senior Notes are outstanding, the Corporation's long-term issuer rating) was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of any Below Investment Grade Rating Event).

(e) The Series B Holders shall have no right to require redemption of any Series B Preferred Stock pursuant to this Section 22.06.

Section 22.07 Voting .

(a) Notwithstanding any provision in this Certificate of Incorporation to the contrary, and except as set forth in this Section 22.07 , the Series B Preferred Stock shall not have any relative, participating, optional or other voting, consent or approval rights or powers, and the vote, consent or approval of the Series B Holders shall not be required for the taking of any action or inaction by the Corporation. If and whenever six quarterly dividends (whether or not consecutive) payable on the Series B Preferred Stock or six quarterly dividends (whether or not consecutive) payable on any series or class of Parity Stock have not been declared and paid (a " Nonpayment "), the number of directors then constituting the Board of Directors automatically shall be increased by two and the Series B Holders, voting together as a single class with the holders of any other class or series of Parity Stock then Outstanding upon which like voting rights have been conferred and are exercisable (any such other class or series, " Voting Preferred Stock "), shall have the right to elect these two additional directors at a meeting of the Series B Holders and the holders of such Voting Preferred Stock called as hereafter provided. When quarterly dividends have been declared and paid on the Series B Preferred Stock for four consecutive Dividend Periods following the Nonpayment, then the right of the Series B Holders and the holders of such Voting Preferred Stock to elect such two additional directors shall cease and all directors elected by the Series B Holders and holders of the Voting Preferred Stock shall forthwith cease to be qualified and their terms shall forthwith terminate immediately and the number of directors constituting the whole Board of Directors automatically shall be reduced by two. However, the right of the Series B Holders and the holders of the Voting Preferred Stock to elect two additional directors on the Board of Directors shall again vest if and whenever six additional quarterly dividends have not been declared and paid, as described above.

(b) If a Nonpayment or a subsequent Nonpayment shall have occurred, the Secretary of the Corporation may, and upon the written request of any holder of Series B Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the Series B Holders and holders of the Voting Preferred Stock for the election of the two directors to be elected by them. The directors elected at any such special meeting shall hold office until the next annual meeting or special meeting held in lieu thereof if such office shall not have previously terminated as above provided. The Board of Directors shall, in its sole discretion, determine a date for a special meeting applying procedures consistent with Article XVII in connection with the expiration of the term of the two directors elected pursuant to this Section 22.07 . The Series B Holders and holders of the Voting Preferred Stock, voting together as a class, may remove any director elected by the Series B Holders and holders of the Voting Preferred Stock pursuant to this Section 22.07 . If any vacancy shall occur among the directors elected by the Series B Holders and holders of the Voting Preferred Stock, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by the Series B Holders and holders of the Voting Preferred Stock or the successor of such remaining director, to serve until the next special meeting (convened as set forth in the immediately preceding sentence) held in place thereof if such office shall not have previously terminated as above provided. Except to the extent expressly provided otherwise in this Section 22.07 , any such annual or special meeting shall be called and held applying procedures consistent with Article XVII as if references to stockholders of the Corporation were references to Series B Holders and holders of Voting Preferred Stock.

(c) Notwithstanding anything to the contrary in Article VIII , XI or XVII but subject to Section 22.07(d) , so long as any shares of Series B Preferred Stock are Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Series B Holders and holders of the Voting Preferred Stock, at the time Outstanding, voting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary:

(i) to amend, alter or repeal any of the provisions of this Article XXII relating to the Series B Preferred Stock or any series of Voting Preferred Stock, whether by merger, consolidation or otherwise, to affect materially and adversely the rights, powers and preferences of the Series B Holders or holders of the Voting Preferred Stock; and

(ii) to authorize, create or increase the authorized amount of, any class or series of Preferred Stock having rights senior to the Series B Preferred Stock with respect to the payment of dividends or amounts upon any Dissolution Event;

provided , however , that,

(X) in the case of subparagraph (i) above, no such vote of the Series B Preferred Stock or the Voting Preferred Stock, as the case may be, shall be required if in connection with any such amendment, alteration or repeal, by merger, consolidation or otherwise, each Series B Preferred Stock and Voting Preferred Stock remains Outstanding without the terms thereof being materially and adversely changed in any respect to the holders thereof or is converted into or exchanged for preferred equity securities of the surviving entity having the rights, powers and preferences thereof substantially similar to those of such Series B Preferred Stock or the Voting Preferred Stock, as the case may be;

(Y) in the case of subparagraph (i) above, if such amendment affects materially and adversely the rights, powers and preferences of one or more but not all of the classes or series of Voting Preferred Stock and the Series B Preferred Stock at the time Outstanding, the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the holders of all such classes or series of Voting Preferred Stock and the Series B Preferred Stock so affected, voting as a single class regardless of class or series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be required in lieu of (or, if such consent is required by law, in addition to) the affirmative vote of at least 66-2/3% of the votes entitled to be cast by the Voting Preferred Stock and the Series B Preferred Stock otherwise entitled to vote as a single class in accordance herewith; and

(Z) in the case of subparagraph (i) or (ii) above, no such vote of the Series B Holders or holders of the Voting Preferred Stock, as the case may be, shall be required if, at or prior to the time when such action is to take effect, provision is made for the redemption of all Series B Preferred Stock or Voting Preferred Stock, as the case may be, at the time Outstanding.

(d) For the purposes of this Section 22.07 , neither:

(i) the amendment of provisions of this Certificate of Incorporation so as to authorize or create or issue, or to increase the authorized amount of, any Junior Stock or any Parity Stock; nor

(ii) any merger, consolidation or otherwise, in which (1) the Corporation is the surviving entity and the Series B Preferred Stock remains Outstanding with the terms thereof materially unchanged in any respect adverse to the holders thereof; or (2) the resulting, surviving or transferee entity is organized under the laws of any state and substitutes or exchanges the Series B Preferred Stock for other preferred equity securities having rights, powers and preferences (including with respect to redemption thereof) substantially similar to that of the Series B Preferred Stock under this Certificate of Incorporation (except for changes that do not materially and adversely affect the Series B Preferred Stock considered as a whole) shall be deemed to materially and adversely affect the rights, powers and preferences of the Series B Preferred Stock or holders of Voting Preferred Stock.

(e) For purposes of the foregoing provisions of this Section 22.07 , each Series B Holder shall have one vote per share of Series B Preferred Stock, except that when any other series of Preferred Stock shall have the right to vote with the Series B Preferred Stock as a single class on any matter, then the Series B Holders and the holders of such other series of Preferred Stock shall have with respect to such matters one vote per $25.00 of stated liquidation preference.

(f) The Corporation may, from time to time, without notice to or consent of the Series B Holders or holders of other Parity Stock, issue additional shares of Series B Preferred Stock.

(g) The foregoing provisions of this Section 22.07 will not apply if, at or prior to the time when the act with respect to which a vote pursuant to this Section 22.07 would otherwise be required shall be effected, the Series B Preferred Stock shall have been redeemed.

Section 22.08 Liquidation Rights .

(a) Upon any Dissolution Event, after payment or provision for the liabilities of the Corporation (including the expenses of such Dissolution Event) and the satisfaction of all claims ranking senior to the Series B Preferred Stock in accordance with Section 5.04 , the Series B Holders shall be entitled to receive out of the assets of the Corporation or proceeds thereof available for distribution to stockholders of the Corporation, before any payment or distribution of assets is made in respect of Junior Stock, distributions equal to the Series B Liquidation Value.

(b) If the assets of the Corporation available for distribution upon a Dissolution Event are insufficient to pay in full the aggregate amount payable to the Series B Holders and holders of all other Outstanding Parity Stock, if any, such assets shall be distributed to the Series B Holders and holders of such Parity Stock pro rata, based on the full respective distributable amounts to which each such holder is entitled pursuant to this Section 22.08 .

(c) Nothing in this Section 22.08 shall be understood to entitle the Series B Holders to be paid any amount upon the occurrence of a Dissolution Event until holders of any classes or series of stock ranking, as to the distribution of assets upon a Dissolution Event, senior to the Series B Preferred Stock have been paid all amounts to which such classes or series of stock are entitled.

(d) For the purposes of this Certificate of Incorporation, neither the sale, conveyance, exchange or transfer, for cash, stock, securities or other consideration, of all or substantially all of the Corporation's property or assets nor the consolidation, merger or amalgamation of the Corporation with or into any other entity or the consolidation, merger or amalgamation of any other entity with or into the Corporation shall be deemed to be a Dissolution Event, notwithstanding that for other purposes, such as for tax purposes, such an event may constitute a liquidation, dissolution or winding up. In addition, notwithstanding anything to the contrary in this Section 22.08 , no payment will be made to the Series B Holders pursuant to this Section 22.08 (i) upon the voluntary or involuntary liquidation, dissolution or winding up of any of the Corporation's Subsidiaries or upon any reorganization of the Corporation into another limited liability entity pursuant to the provisions of this Certificate of Incorporation that allow the Corporation to convert, merge or convey its assets to another limited liability entity with or without approval of the stockholders of the Corporation (including a transaction pursuant to Section 8.03) or (ii) if the Corporation engages in a reorganization or other transaction in which a successor to the Corporation issues equity securities to the Series B Holders that have rights, powers and preferences that are substantially similar to the rights, powers and preferences of the Series B Preferred Stock pursuant to provisions of this Certificate of Incorporation that allow the Corporation to do so without approval of the stockholders of the Corporation. Notwithstanding any provision to the contrary in this Article XXII (including Section 22.07), the Board of Directors may, in its sole discretion and without the consent of any Series B Holder, amend this Article XXII to allow for the transactions in this Section 22.08(d) .

Section 22.09 No Duties to Series B Holders . Notwithstanding anything to the contrary in this Certificate of Incorporation, to the fullest extent permitted by law, neither the Class B Stockholder nor any other Indemnitee shall have any duties or liabilities to the Series B Holders.

Section 22.10 Forum Selection . Each Person that holds or has held a share of Series B Preferred Stock and each Person that holds or has held any beneficial interest in a share of Series B Preferred Stock (whether through a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing or otherwise), to the fullest extent permitted by law, (i) irrevocably agrees that any claims, suits, actions or proceedings against the Corporation, or any director, officer, employee, control person, underwriter or agent of the Corporation asserted under United States federal securities laws, otherwise arising under such laws, or that could have been asserted as a claim arising under such laws, shall be exclusively brought in the federal district courts of the United States of America (except, and only to the extent, that any such claims, actions or proceedings are of a type for which a stockholder may not waive its right to maintain a legal action or proceeding in the courts of the State of Delaware with respect to matters relating to internal corporate claims of the Corporation as set forth under Section 115 of the DGCL); (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; and (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper.

ARTICLE XXIII

DEFINITIONS

Section 23.01 Definitions . The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Certificate of Incorporation:

" Affiliate " means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question.

" Associate " means, when used to indicate a relationship with any Person, (a) any corporation, other entity or organization of which such Person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock or other voting interest; (b) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same principal residence as such Person.

" beneficial owner " has the meaning assigned to such term in Rules 13d-3 and 13d-5 under the Exchange Act (and "beneficially own" and "beneficial ownership" shall each have a correlative meaning).

" Board of Directors " has the meaning assigned to such term in Section 4.02 .

" Business Day " means each day that is not a Saturday, Sunday or other day on which banking institutions in New York City are authorized or required by law to close.

" Bylaws " means the bylaws of the Corporation as in effect from time to time.

" Certificate " means a certificate issued in global form in accordance with the rules and regulations of the Depositary or in such other form as may be adopted by the Board of Directors, issued by the Corporation evidencing ownership of one or more shares of Class A Common Stock or Preferred Stock or a certificate, in such form as may be adopted by the Board of Directors, issued by the Corporation evidencing ownership of one or more other classes of stock of the Corporation.

" Class A Common Stock " has the meaning assigned to such term in Section 4.01(a)(i) .

" Class B Common Stock " has the meaning assigned to such term in Section 4.01(a)(ii) .

" Class B Stockholder " means KKR Management LLC and any successor or permitted assign that owns the Class B Common Stock at the applicable time.

" Class C Common Stock " has the meaning assigned to such term in Section 4.01(a)(iii) .

" Closing Price " has the meaning assigned to such term in Section 9.01(a) .

" Code " means the U.S. Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of any successor law.

" Commission " means the U.S. Securities and Exchange Commission.

" Common Stock " has the meaning assigned to such term in Section 4.01(a)(iii) .

" Common Unit " has the meaning assigned to such term in the Partnership Agreement.

" Conflicts Committee " means a committee of the Board of Directors composed entirely of one or more directors who meet the independence standards (but not, for the avoidance of doubt, the financial literacy or financial expert qualifications) required to serve on an audit committee of a board of directors established by the Exchange Act and the rules and regulations of the Commission thereunder and by the National Securities Exchange on which the Class A Common Stock is listed for trading.

" Contribution and Indemnification Agreement " means any contribution and indemnification agreement among each of the Group Partnerships and the other parties thereto providing for the transfer by such other parties to the Group Partnerships of all or part of the amounts borne by the Group Partnerships, directly or indirectly, with respect to any "carried interest" or similar profit interest distributed by a Fund pursuant to the obligation of the general partner of a Fund to return such amounts to the Fund.

" Control " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ability to exercise voting power, by contract or otherwise.

" Conversion " has the meaning assigned to such term in Article III .

" Corporate Group " means the Corporation and its Subsidiaries treated as a single consolidated entity.

" Corporation " has the meaning assigned to such term in Article I .

" Current Market Price " has the meaning assigned to such term in Section 9.01(a) .

" Depositary " means, with respect to any shares of stock issued in global form, The Depository Trust Company and its successors and permitted assigns.

" Designated Stock " means the Class A Common Stock, the Class C Common Stock and any other stock of the Corporation that is designated as "Designated Stock" from time to time pursuant to this Certificate of Incorporation or any certificate of designation relating to any series of Preferred Stock.

" DGCL " means the Delaware General Corporation Law, as the same exists or as may hereafter be amended from time to time.

" Dissolution Event " means an event giving rise to the dissolution, liquidation or winding up of the Corporation.

" Effective Time " means 12:01 a.m. (Eastern Time) on July 1, 2018.

" Exchange Act " means the U.S. Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute.

" Exchange Agreement " means the amended and restated exchange agreement, dated as of November 2, 2010, among Group Partnership I, Group Partnership II, Group Partnership III, KKR Holdings, the Partnership, KKR Group Holdings L.P., KKR Subsidiary Partnership L.P. and KKR Group Limited, as it may be amended, supplemented or restated from time to time.

" Fiscal Year " has the meaning assigned to such term in Section 18.02 .

" Former Managing Partner " means KKR Management LLC in its capacity as the former general partner of the Partnership.

" Fund ", for purposes of Section 16.01(a) , has the meaning assigned to such term in Section 16.01(a) .

" Group " means a Person that with or through any of its Affiliates or Associates has any contract, arrangement, understanding or relationship for the purpose of acquiring, holding, voting, exercising investment power or disposing of any stock of the Corporation with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, stock of the Corporation.

" Group Member " means a member of the Corporate Group.

" Group Partnership I " means KKR Management Holdings L.P., a Delaware limited partnership, and any successor thereto.

" Group Partnership II " means KKR Fund Holdings L.P., a Cayman limited partnership, and any successor thereto.

" Group Partnership III " means KKR International Holdings L.P., a Cayman limited partnership, and any successor thereto.

" Group Partnership Agreements " means, collectively, the Amended and Restated Limited Partnership Agreement of Group Partnership I, the Amended and Restated Limited Partnership Agreement of Group Partnership II and the Amended and Restated Limited Partnership Agreement of Group Partnership III (and the partnership agreement then in effect of any future partnership designated by the Board of Directors as a Group Partnership), as they may each be amended, supplemented or restated from time to time.

" Group Partnership Unit " means, collectively, one Class A partnership unit in each of Group Partnership I, Group Partnership II and Group Partnership III (and any future partnership designated by the Board of Directors as a Group Partnership) issued under its respective Group Partnership Agreement.

" Group Partnerships " means, collectively, Group Partnership I, Group Partnership II and Group Partnership III (and any future partnership designated by the Board of Directors as a Group Partnership).

" Indemnitee " means, to the fullest extent permitted by law, (a) the Class B Stockholder, (b) the Former Managing Partner, (c) any Person who is or was an Affiliate of the Class B Stockholder or the Former Managing Partner, (d) any Person who is or was a member, partner, Tax Matters Partner (as defined in the Code as in effect prior to 2018), Partnership Representative (as defined in the Code), officer, director, employee, agent, fiduciary or trustee of any Group Member, any Group Partnership, the Corporation and its Subsidiaries, the Class B Stockholder or the Former Managing Partner or any Affiliate of any Group Member, the Class B Stockholder or the Former Managing Partner, (e) any Person who is or was serving at the request of the Corporation or the Former Managing Partner or any Affiliate of the Corporation or the Former Managing Partner as an officer, director, employee, member, partner, Tax Matters Partner, Partnership Representative, agent, fiduciary or trustee of another Person; provided that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis or similar arms-length compensatory basis, agency, advisory, consulting, trustee, fiduciary or custodial services and (f) any Person the Corporation in its sole discretion designates as an "Indemnitee" as permitted by applicable law.

" Independent Directors " means the members of the Board of Directors who are "independent" as that term is defined in the rules of the New York Stock Exchange from time to time.

" Investment Agreement " means the amended and restated investment agreement between the Partnership, KKR & Co. (Guernsey) L.P., a Guernsey limited partnership, formerly known as KKR Private Equity Investors, L.P., and the other parties thereto, dated October 1, 2009, as amended from time to time.

" KKR Associates Holdings " means KKR Associates Holdings L.P., a Cayman limited partnership, and any successor thereto.

" KKR Holdings " means KKR Holdings L.P., a Cayman limited partnership, and any successor thereto.

" KKR Intermediate Partnership " means KKR Intermediate Partnership L.P., a Cayman limited partnership, or any successor thereto.

" KKR Management LLC " means KKR Management LLC, a Delaware limited liability company, or any successor thereto.

" Limited Partner Interest " has the meaning assigned to such term in the Partnership Agreement.

" Majority in Interest of the Class B Stockholder " means a majority in interest of Class A members of KKR Management LLC (or persons deemed to represent such interest) or, with respect to any other successor entity that becomes the Class B Stockholder, a majority of the common equity interests of such successor entity.

" Managing Partner Interest " has the meaning assigned to such term in the Partnership Agreement.

" Managing Partner Unit " has the meaning assigned to such term in the Partnership Agreement.

" Merger Agreement " has the meaning assigned to such term in Section 8.01 .

" National Securities Exchange " means an exchange registered with the Commission under Section 6(a) of the Exchange Act or any successor thereto and any other securities exchange (whether or not registered with the Commission under Section 6(a) of the Exchange Act) that the Board of Directors shall designate as a National Securities Exchange for purposes of this Certificate of Incorporation and the Bylaws.

" Notice of Election to Purchase " has the meaning assigned to such term in Section 9.01(b) .

" Opinion of Counsel " means a written opinion of counsel acceptable to the Board of Directors in its discretion.

" Outstanding " means, with respect to stock of the Corporation, all shares of stock that are issued by the Corporation and reflected as outstanding on the Corporation's books and records as of the date of determination; provided , however , that if at any time any Person or Group (other than the Class B Stockholder or its Affiliates) beneficially owns 20% or more of any class of stock, all such shares of stock owned by such Person or Group shall not be entitled to be voted on any matter and shall not be considered to be Outstanding when sending notices of a meeting of stockholders of the Corporation to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Certificate of Incorporation (such shares of stock shall not, however, be treated as a separate class of stock for purposes of this Certificate of Incorporation); provided further , that the foregoing limitation shall not apply (i) to any Person or Group who acquired 20% or more of any shares of stock of any class then Outstanding directly from the Class B Stockholder or its Affiliates, (ii) to any Person or Group who acquired 20% or more of any shares of stock of any class then Outstanding directly or indirectly from a Person or Group described in clause (i) provided that the Board of Directors shall have notified such Person or Group in writing that such limitation shall not apply or (iii) to any Person or Group who acquired 20% or more of any such shares of stock with the prior approval of the Board of Directors. The determinations of the matters described in clauses (i), (ii) and (iii) of the foregoing sentence shall be conclusively determined by the Board of Directors, which determination shall be final and binding on all stockholders of the Corporation.

“ Partnership ” has the meaning assigned to such term in Article III .

“ Partnership Agreement ” means that certain Third Amended and Restated Limited Partnership Agreement of the Partnership, dated as of June 20, 2016.

“ Person ” means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association (including any group, organization, co-tenancy, plan, board, council or committee), government (including a country, state, county, or any other governmental or political subdivision, agency or instrumentality thereof) or other entity (or series thereof).

“ Preferred Stock ” has the meaning set forth in Section 4.01(a)(iv) .

“ Purchase Date ” means the date determined by the Corporation as the date for purchase of all Outstanding stock of a certain class (other than shares owned by the Class B Stockholder and its Affiliates) pursuant to Article IX .

“ Record Date ” means the date and time established by the Board of Directors pursuant to the Bylaws. The Record Date for distributions on any Preferred Stock is as set forth in this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock).

“ Record Holder ” means the Person in whose name a share of stock of the Corporation is registered on the books of the Corporation or, if such books are maintained by the Transfer Agent, on the books of the Transfer Agent, in each case, to the extent applicable, as of the Record Date.

“ Registration Statement ” shall have the meaning set forth in the Investment Agreement.

“ Securities Act ” means the U.S. Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute.

“ Series A Preferred Stock ” has the meaning set forth in Section 4.01(a)(iv) .

“ Series A Preferred Unit ” has the meaning set forth in the Partnership Agreement.

“ Series B Preferred Stock ” has the meaning set forth in Section 4.01(a)(iv) .

" Series B Preferred Unit " has the meaning set forth in the Partnership Agreement.

" Special Voting Unit " has the meaning set forth in the Partnership Agreement.

" Subsidiary " means, other than for purposes of Section 10.03 , with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person or (d) any other Person the financial information of which is consolidated by such Person for financial reporting purposes under U.S. GAAP.

" Trading Day " has the meaning assigned to such term in Section 9.01(a) .

" transfer ", when used in this Certificate of Incorporation with respect to shares of stock of the Corporation, has the meaning assigned to such term in Section 6.04(a) .

" Transfer Agent " means such bank, trust company or other Person (including the Class B Stockholder or one of its Affiliates) as shall be appointed from time to time by the Board of Directors to act as registrar and transfer agent for the Class A Common Stock and the Preferred Stock.

" U.S. GAAP " means U.S. generally accepted accounting principles consistently applied.

ARTICLE XXIV

INCORPORATOR

The incorporator of the Corporation is KKR Management LLC, a Delaware limited liability company, whose mailing address is 9 West 57th Street, New York, New York 10019.

ARTICLE XXV

MISCELLANEOUS

Section 25.01 Invalidity of Provisions . If any provision of this Certificate of Incorporation is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 25.02 Construction; Section Headings . For purposes of this Certificate of Incorporation, unless the context otherwise requires, (i) references to "Articles", "Sections" and "clauses" refer to articles, sections and clauses of this Certificate of Incorporation and (ii) the term "include" or "includes" means includes, without limitation, and "including" means including, without limitation. Section headings in this Certificate of Incorporation are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

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This Certificate of Incorporation shall become effective at 12:01 a.m. (Eastern Time) on July 1, 2018.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the undersigned incorporator hereby acknowledges that the foregoing Certificate of Incorporation is its act and deed on this 3rd day of May, 2018.

KKR MANAGEMENT LLC

By: /s/ David J. Sorkin
Name: David J. Sorkin
Title: Secretary

Exhibit 3.3

BYLAWS

OF

KKR & CO. INC.

(Effective July 1, 2018)

ARTICLE I

OFFICES

Section 1.01 Registered Office. The registered office and registered agent of KKR & Co. Inc. (the "Corporation") shall be as set forth in the Certificate of Incorporation of the Corporation (as in effect from time to time, the "Certificate of Incorporation"). The Corporation may also have offices in such other places in the United States or elsewhere as the Board of Directors of the Corporation (the "Board of Directors") may, from time to time, determine or as the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 2.01 Annual Meetings. If required, annual meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, on such date and at such time as the Board of Directors shall determine. The Board of Directors may, in its sole discretion, determine that annual meetings of stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Section 211(a)(2) of the DGCL. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

Section 2.02 Special Meetings. Special meetings of stockholders may only be called in the manner provided in the Certificate of Incorporation and may be held at such place, if any, either within or without the State of Delaware, on such date and at such time, and for such purpose or purposes, as the Board of Directors shall determine and state in the notice of meeting, if any. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors subject to the requirements of the Certificate of Incorporation.

Section 2.03 Notice of Stockholder Business and Nominations.

(a) Nominations of Persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (i) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 2.04, (ii) by or at the direction of the Board of Directors or any authorized committee thereof or (iii) by the Class B Stockholder.

(b) Notwithstanding Section 2.03(a) , if at any time applicable law provides stockholders of the Corporation other than the Class B Stockholder the right to propose business to be brought before a meeting of stockholders at an annual meeting, then any such stockholder may bring any such business before such meeting only if such stockholder (i) is entitled to vote at the annual meeting on the proposal of such business, (ii) has complied with the notice procedures set forth in paragraphs (c) and (d) of this Section 2.03, (iii) was a stockholder of record as of the time such notice is delivered to the Secretary of the Corporation and as of the Record Date for notice and voting at the annual meeting and (iv) is a stockholder of record as of the date of the annual meeting. Nothing in this Section 2.03 shall be deemed to provide any voting or other rights or powers to the stockholders of the Corporation, but shall instead set forth the procedures and requirements applicable to stockholders of the Corporation other than the Class B Stockholder with respect to bringing business before an annual meeting in circumstances in which they are entitled by law to do so.

(c) For business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.03(b) , the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such business must constitute a proper matter for action by stockholders. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after the effective date of these Bylaws, be deemed to have occurred on July 1, 2018); provided , however , that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 70 days, from the anniversary date of the previous year's meeting, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than 120 days prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice.

(d) Such stockholder's notice shall set forth (a) a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration), the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (b) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books and records, and of such beneficial owner, (ii) the class or series and number of shares of stock of the Corporation which are owned, directly or indirectly, beneficially and of record by such stockholder and such beneficial owner, (iii) a representation that the stockholder (x) is a holder of record of the stock of the Corporation at the time of the giving of the notice, (y) will be entitled to vote at such meeting on the proposal of such business such stockholder intends to bring before the annual meeting and (z) will appear in person or by proxy at the annual meeting to propose such business, (iv) a representation whether the stockholder or the beneficial owner, if any, will be or is part of a group which will (x) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding stock required to approve or adopt the proposal and/or (y) otherwise solicit proxies or votes from stockholders in support of such proposal, (v) a certification regarding whether such stockholder and beneficial owner, if any, have complied with all applicable federal, state and other legal requirements in connection with the stockholder's and/or beneficial owner's acquisition of shares of stock or other securities of the Corporation and/or the stockholder's and/or beneficial owner's acts or omissions as a stockholder of the Corporation and (vi) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal. A stockholder providing notice of business proposed to be brought before an annual meeting shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct.

(e) Except as provided in Sections 2.03(g) , 2.03(h) and 3.02 , only such Persons who are nominated in accordance with the procedures set forth in Section 2.03(a) shall be eligible to serve as directors and only such business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the Board of Directors or the chairman of the meeting shall, in addition to making any other determination that may be appropriate for the conduct of the annual meeting of stockholders, have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 2.03 , unless otherwise required by law, if the stockholder making a proposal (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present such business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.03 , to be considered a qualified representative of the stockholder, a Person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the annual meeting of stockholders and such Person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the annual meeting of stockholders.

(f) For purposes of this Section 2.03 , public announcement may be made by any means permitted by applicable law, including disclosure in a press release, on the website of the Corporation or in a document publicly filed with the Commission pursuant to the Exchange Act and the rules and regulations of the Commission thereunder.

(g) Notwithstanding the foregoing provisions of this Section 2.03 , a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.03 ; provided , however , that, to the fullest extent permitted by law, any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to proposals as to any business to be considered pursuant to these Bylaws, and compliance with Section 2.03(b) shall be the exclusive means for a stockholder other than the Class B Stockholder to submit business to the extent permitted pursuant to Section 2.03(b) .

(h) Notwithstanding anything to the contrary contained in the provisions of this Section 2.03 , the Class B Stockholder shall not be subject to the notice procedures or other requirements set forth in this Section 2.03 .

Section 2.04 Notice of Meetings . If required by law, whenever stockholders are required to take any action at an annual or special meeting of stockholders, a timely notice in writing or by electronic transmission of the meeting, which shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the Record Date for determining the stockholders entitled to vote at the meeting, if such date is different from the Record Date for determining stockholders entitled to notice of the meeting, shall be mailed to or transmitted electronically by the Secretary of the Corporation to each stockholder of record entitled to vote thereat as of the Record Date for determining the stockholders entitled to notice of the meeting. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, any such notice shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the Record Date for determining the stockholders entitled to notice of the meeting.

Section 2.05 Inspectors of Election . The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more Persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the Person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of stock of the Corporation Outstanding and the voting power of each such share, (ii) determine the shares of stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No Person who is a candidate for an office at an election may serve as an inspector at such election.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01 Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not directed or required by the DGCL or the Certificate of Incorporation to be exercised or done by the stockholders. The Board of Directors shall not be responsible for the day-to-day business, operations and affairs of the Subsidiaries and Advised Entities, including transactions entered into by a Subsidiary or an Advised Entity in the ordinary course. Solely for purposes of this Section 3.01, the following definitions shall be applied to the terms used in this Section 3.01:

"Advised Entity" means any fund or vehicle that is advised, sponsored, raised or managed by the Corporation or its Affiliates or any portfolio investment of any such fund or vehicle.

"Subsidiary" of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture, limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified, each reference to a Subsidiary will refer to a Subsidiary of the Corporation (which shall be deemed to include the Group Partnerships and their Subsidiaries), but shall exclude any Advised Entity, irrespective of whether such Advised Entity is consolidated in the financial statements of the Corporation or such Affiliate.

Section 3.02 Number of Directors; Removal; Vacancies and Newly Created Directorships. Subject to the rights of holders of Preferred Stock, the Class B Stockholder shall have full authority unilaterally to approve the number of directors to constitute the Board of Directors (which number of directors may be increased or decreased solely by the Class B Stockholder). Subject to any limitations then set forth in the Certificate of Incorporation, and other than with respect to any directors elected solely by the holders of Preferred Stock, the Class B Stockholder shall have full authority unilaterally to remove and replace any director, with or without cause, at any time and for any reason or no reason. Except as otherwise provided by the Certificate of Incorporation, any directorships created as a result of an increase in the size of the Board of Directors or vacancies (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled by the Class B Stockholder. Each director, including each appointed to fill a vacancy or newly created directorship, shall hold office until the next annual meeting of stockholders for the election of directors or action by written consent of stockholders in lieu of annual meeting for the purpose of electing directors and until such director's successor is elected and qualified or until such director's earlier death, resignation, retirement, disqualification or removal. Directors need not be stockholders.

Section 3.03 Independence . A majority of the directors of the Corporation shall be Independent Directors.

Section 3.04 Resignations . Any director may resign at any time by giving notice of such director's resignation in writing or by electronic transmission to the Chairman or Co-Chairman of the Board of Directors or the Secretary of the Board of Directors. Any such resignation shall take effect at the time specified therein, or if the time when it shall become effective shall not be specified therein, then it shall take effect immediately upon its receipt by the Corporation. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.05 Compensation . The Board of Directors shall have the authority to fix the compensation of directors or to establish policies for the compensation of directors and for the reimbursement of expenses of directors, in each case, in connection with services provided by directors to the Corporation. The directors may be paid their expenses, if any, of attendance at such meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings, or their service as committee members may be compensated as part of their stated salary as a director.

Section 3.06 Meetings; Chairman, Vice Chairman and Secretary . The Board of Directors may hold meetings, both regular and special, within or outside the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by any Chairman or Co-Chairman of the Board of Directors or, in the absence of a Chairman or Co-Chairman of the Board of Directors, by any director on at least 24 hours' (or less in times of emergency) notice to each director, either personally or by telephone or by mail, telegraph, telex, cable, wireless or other form of electronic transmission or communication at such time and at such place as shall from time to time be determined by the Board of Directors. Notice of any such meeting need not be given to any director, however, if waived by such director in writing or by telegraph, telex, cable, wireless or other form of electronic transmission or communication, or if such director shall be present at such meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting. The Board of Directors, with the approval of the Class B Stockholder, may appoint a "Chairman," "Co-Chairman," "Vice Chairman" and "Secretary" of the Board of Directors, who shall have the powers and perform such duties as provided in these Bylaws and as the Board of Directors may from time to time prescribe. At each meeting of the Board of Directors, any Chairman or Co-Chairman of the Board of Directors or, in the absence of a Chairman or Co-Chairman of the Board of Directors, a director chosen by a majority of the directors present, shall act as chairman of the meeting. In case the Secretary of the Board of Directors shall be absent from any meeting of the Board of Directors, a director or officer chosen by a majority of the directors present shall act as secretary of the meeting.

Section 3.07 Quorum; Voting; Adjournment . Subject to the requirements of the Certificate of Incorporation and Section 3.08, at all meetings of the Board of Directors, a majority of the then total number of directors shall constitute a quorum for the transaction of business and, except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the act of a majority of the then total number of directors shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.08 Conflict of Interest . If a director abstains from voting on any matter in which he or she has a conflict of interest, the vote of a majority of the then total number of directors who have not so abstained shall be the act of the Board of Directors.

Section 3.09 Committees; Committee Rules . Except as expressly set forth in these Bylaws, the Board of Directors may, by resolution or resolutions passed by a majority of the then total number of members of the Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation, which, to the extent provided in such resolution or resolutions, shall have and may exercise, subject to applicable law, the Certificate of Incorporation and these Bylaws, the powers and authority of the Board of Directors. A majority of all the members of any such committee shall constitute a quorum for the transaction of business by the committee. A majority of all the members of any such committee present at a meeting at which a quorum is present may determine its action and fix the time and place, if any, of its meetings and specify what notice thereof, if any, shall be given, unless the Board of Directors shall otherwise provide. The Board of Directors shall have the power to change the members of any such committee at any time, to fill vacancies and to discharge any such committee, either with or without cause, at any time. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

Section 3.10 Audit Committee . The Board of Directors shall have an Audit Committee. Such committee shall have and exercise such power and authority as the Board of Directors shall specify from time to time. Upon consideration of the criteria contained in Section 10A(m)(3) and Rule 10A-3(b)(1) of the Exchange Act, and Section 303A of the NYSE Listed Company Manual, in each case including any amendments, replacements or successors thereto, each director that is a member of such committee shall be independent. Each director that is a member of such committee shall be “financially literate” pursuant to the requirements of Section 303A.07 of the NYSE Listed Company Manual, including any amendments, replacements or successors thereto.

Section 3.11 Conflicts Committee . The Board of Directors shall have a Conflicts Committee. Such committee shall have and exercise such power and authority as the Board of Directors shall specify from time to time. Upon consideration of the criteria contained in Section 10A(m)(3) and Rule 10A-3(b)(1) of the Exchange Act and Section 303A of the NYSE Listed Company Manual, in each case including any amendments, replacements or successors thereto, each director that is a member of such committee shall be independent. Such committee shall be required to approve any amendment to a Covered Agreement that, in the reasonable judgment of the Board of Directors, is or will result in a conflict of interest. Such committee shall be authorized to take any action (x) to enforce the rights of the Corporation, directly or through one or more entities controlled by the Corporation, under any Covered Agreement against KKR Holdings (and any subsidiary or other designee of KKR Holdings through which KKR Holdings holds any common stock of the Corporation or Group Partnership Units), any KKR Holdings Affiliated Person, KKR & Co. L.L.C., KKR Associates Holdings (and any subsidiary or other designee of KKR Associates Holdings through which KKR Associates Holdings holds Group Partnership Units, including KKR Intermediate Partnership), any KKR Associates Holdings Affiliated Person or each other party to the Contribution and Indemnification Agreements, or (y) pursuant to any authority or rights granted to such committee under any Covered Agreement or with respect to any amendment, supplement, modification or waiver to any such agreement that would purport to modify such authority or rights.

Section 3.12 Nominating and Corporate Governance Committee . The Board of Directors shall have a Nominating and Corporate Governance Committee. Upon consideration of the criteria contained in Section 10A(m)(3) and Rule 10A-3(b)(1) of the Exchange Act and Section 303A.04 of the NYSE Listed Company Manual, in each case including any amendments, replacements or successors thereto, at least one director that is a member of such committee shall be independent. Such committee shall have and exercise such power and authority as the Board of Directors shall specify from time to time.

Section 3.13 Executive Committee . The Board of Directors shall have an Executive Committee. Such committee shall be comprised of the Chairman or Co-Chairmen of the Board of Directors and any other director or directors selected by the Chairman or Co-Chairmen from time to time. Such committee shall have and exercise such power and authority as the Board of Directors shall specify from time to time; provided, that the Executive Committee shall not be authorized or empowered to take actions that have been specifically delegated to other committees of the Board of Directors or to take actions with respect to (A) the declaration of dividends on the common stock of the Corporation; (B) a merger, sale or combination of the Corporation with or into another Person; (C) a sale, lease or exchange of all or substantially all of the assets, taken as a whole, of the Corporation; (D) a liquidation or dissolution of the Corporation; (E) any action that must be submitted to a vote of the holders of the stock of the Corporation; or (F) any action that may not be delegated to a committee of the Board of Directors under the Certificate of Incorporation, these Bylaws or the DGCL.

Section 3.14 Remote Meeting . Unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in meetings of the Board of Directors, or any committee thereof, by means of telephone conference or similar communications equipment that allows all Persons participating in the meeting to hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.15 Action Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting by the Board of Directors or any committee thereof, as the case may be, may be taken without a meeting if a consent thereto is signed or transmitted electronically, as the case may be, by all members of the Board of Directors or of such committee, as the case may be, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form or shall be in electronic form if the minutes are maintained in electronic form.

Section 3.16 Reliance on Books and Records. A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of such Person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other Person as to matters the member reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

OFFICERS

Section 4.01 Appointment, Selection and Designation of Officers Other Than Chief Executive Officer or Co-Chief Executive Officers. The Chief Executive Officer or Co-Chief Executive Officers may, from time to time as they deem advisable, select and designate other officers of the Corporation and assign titles to any such Persons, including "President," "Co-President," "Chief Operating Officer," "Co-Chief Operating Officer," "Chief Financial Officer," "General Counsel," "Chief Legal Officer," "Chief Administrative Officer," "Chief Compliance Officer," "Principal Accounting Officer," "Vice President," "Treasurer," "Assistant Treasurer," "Secretary," "Assistant Secretary," "General Manager," "Senior Managing Director," "Managing Director," "Director" or "Principal." Any vacancies occurring in any office other than the offices of Chief Executive Officer or Co-Chief Executive Officer may be filled by the Chief Executive Officer or Co-Chief Executive Officers in the same manner as such officers are appointed and selected pursuant to this Section 4.01.

Section 4.02 Delegation of Duties. Unless the Board of Directors determines otherwise, if a title is one commonly used for officers of a corporation formed under the DGCL, the assignment of such title shall constitute the delegation to such Person of the authorities and duties that are normally associated with that office. The Board of Directors may delegate to any officer any of the Board of Director's powers to the extent permitted by applicable law, including the power to bind the Corporation. Any delegation pursuant to this Section 4.02 may be revoked at any time by the Board of Directors.

Section 4.03 Officers As Agents. The officers, to the extent of their powers set forth under applicable law, the Certificate of Incorporation or these Bylaws or otherwise vested in them by action of the Board of Directors not inconsistent with applicable law, the Certificate of Incorporation or these Bylaws, are agents of the Corporation for the purpose of the Corporation's business and the actions of the officers taken in accordance with such powers shall bind the Corporation.

ARTICLE V

STOCK

Section 5.01 List of Stockholders Entitled To Vote . The Corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided , however , that if the Record Date for determining the stockholders entitled to vote at the meeting is less than 10 days before the date of the meeting, the list shall reflect the stockholders entitled to vote at the meeting as of the 10th day before the meeting date), arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least 10 days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting, if any, or (b) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting, if any, if required by law. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 5.01 or to vote in Person or by proxy at any meeting of stockholders.

Section 5.02 Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a Record Date, which Record Date shall not precede the date upon which the resolution fixing the Record Date is adopted by the Board of Directors, and which Record Date shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the Record Date for determining the stockholders entitled to vote at or attend such meeting unless the Board of Directors determines, at the time it fixes such Record Date, that a later date on or before the date of the meeting shall be the date for making such determinations. If no Record Date is fixed by the Board of Directors, the Record Date for determining stockholders entitled to notice of or to vote at or attend a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at or attend a meeting of stockholders shall apply to any adjournment of the meeting; provided , however , that the Board of Directors may fix a new Record Date for determination of stockholders entitled to vote at or attend the adjourned meeting, and in such case shall also fix as the Record Date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at or attend the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a Record Date, which Record Date shall not precede the date upon which the resolution fixing the Record Date is adopted by the Board of Directors, and which Record Date shall not be more than 10 days after the date upon which the resolution fixing the Record Date is adopted by the Board of Directors. If no Record Date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board of Directors, (i) when no prior action of the Board of Directors is required by law, the Record Date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (ii) if prior action by the Board of Directors is required by law, the Record Date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a Record Date, which Record Date shall not precede the date upon which the resolution fixing the Record Date is adopted, and which Record Date shall not be more than 60 days prior to such action. If no such Record Date is fixed, the Record Date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VI

DEFINITIONS

Section 6.01 Definitions . Terms used in these Bylaws and not defined herein shall have the meanings assigned to such terms in the Certificate of Incorporation. The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in these Bylaws:

" Board of Directors " has the meaning assigned to such term in Section 1.01 .

" Certificate of Incorporation " has the meaning assigned to such term in Section 1.01 .

" Corporation " has the meaning assigned to such term in Section 1.01 .

" Covered Agreement " means any of the Exchange Agreement, the Tax Receivable Agreement, a Group Partnership Agreement, the Certificate of Incorporation or Contribution and Indemnification Agreement.

" KKR & Co. L.L.C. " means KKR & Co. L.L.C., a Delaware limited liability company, and any successor thereto.

"KKR Associates Holdings Affiliated Person " means each Person that is as of the effective date of these Bylaws or becomes from time to time (i) a general partner or limited partner of KKR Associates Holdings or (ii) a general partner, limited partner or holder of any other type of equity interest of any Person included in clause (i) above.

"KKR Holdings Affiliated Person " means each Person that is as of the date of these Bylaws or becomes from time to time (i) a general partner or a limited partner of KKR Holdings or (ii) a general partner, limited partner or holder of any other type of equity interest of any Person included in clause (i) above.

"Tax Receivable Agreement " means the Tax Receivable Agreement, dated as of July 14, 2010, among KKR Holdings, KKR Management Holdings Corp., the Partnership and KKR Management Holdings L.P., as it may be further amended, supplemented or restated from time to time.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Electronic Transmission . For purposes of these Bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Section 7.02 Corporate Seal . The Board of Directors may provide a suitable seal, containing the name of the Corporation.

Section 7.03 Construction; Section Headings . For purposes of these Bylaws, unless the context otherwise requires, (i) references to "Articles", "Sections" and "clauses" refer to articles, sections and clauses of these Bylaws and (ii) the term "include" or "includes" means includes, without limitation, and "including" means including, without limitation. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 7.04 Inconsistent Provisions . In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the DGCL or any other applicable law, such provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII

AMENDMENTS

Section 8.01 Amendments . Except as provided in Section 8.02 of these Bylaws or the Certificate of Incorporation, the Board of Directors is expressly authorized to adopt, amend and repeal, in whole or in part, these Bylaws without the assent or vote of the stockholders in any manner not inconsistent with the DGCL or the Certificate of Incorporation.

Section 8.02 Class B Stockholder Approval . In addition to any vote or consent required by the Certificate of Incorporation, these Bylaws or applicable law, the amendment or repeal, in whole or in part, of Sections 3.02 through 3.15 , Article IV and this Article VIII , or the adoption of any provision inconsistent therewith, shall require the prior approval of the Class B Stockholder.

Section 8.03 Independent Director Approval . Any adoption, amendment or repeal of these Bylaws that expressly modifies or prejudices the rights of the Independent Directors shall require the affirmative vote or consent of the majority of the Independent Directors.

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Exhibit 3.4

Execution Version

KKR MANAGEMENT LLC

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

Dated as of May 3, 2018

TABLE OF CONTENTS

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of KKR MANAGEMENT LLC (the " Company "), dated as of May 3, 2018 and effective as of the Effective Time (as defined herein), by and among the members of the Company and such other persons that are admitted to the Company as members after the date hereof in accordance herewith.

WHEREAS, the Company was formed under the LLC Act (as defined herein) pursuant to a certificate of formation filed in the office of the Secretary of State of the State of Delaware on June 25, 2007;

WHEREAS, an amended and restated limited liability company agreement of the Company was executed as of October 1, 2009;

WHEREAS, an amended and restated limited liability company agreement of the Company was executed as of July 14, 2010;

WHEREAS, an amended and restated limited liability company agreement of the Company was executed as of August 2, 2011;

WHEREAS, an amended and restated limited liability company agreement of the Company was executed as of March 17, 2016;

WHEREAS, an amended and restated limited liability company agreement of the Company was executed as of May 4, 2016 and effective as of March 17, 2016 (the " Existing Operating Agreement ");

WHEREAS, Section 9.2(a) of the Existing Operating Agreement provides that the Existing Operating Agreement may be amended by the written consent of the Designated Members (as defined in the Existing Operating Agreement); provided , however , that any amendment that expressly modifies or prejudices the rights of the Independent Directors (as defined in the Existing Operating Agreement) shall require the consent of the majority of the Independent Directors; and

WHEREAS, in connection with the conversion of KKR & Co. L.P., a Delaware limited partnership, into a Delaware corporation (the " Conversion "), which is currently anticipated to occur at 12:01 a.m. (Eastern Time) on July 1, 2018, the Designated Members now wish to amend and restate the Existing Operating Agreement in its entirety as more fully set forth below, and a majority of the Independent Directors have consented to such amendment and restatement;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions . Unless the context otherwise requires, the following terms shall have the following meanings for purposes of this Agreement:

" Affiliate " means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

" Agreement " means this Amended and Restated Limited Liability Company Agreement, as it may be further amended and restated from time to time.

" Bankruptcy " has the meaning set forth in Section 8.1(b).

" Bylaws of the Corporation " means the bylaws of the Corporation as adopted and in effect from time to time.

" Capital Contribution " means, with respect to any Member, the aggregate amount of money contributed to the Company and the value of any property (other than money), net of any liabilities assumed by the Company upon contribution or to which such property is subject, contributed to the Company pursuant to Article V.

" Certificate of Incorporation of the Corporation " means the Certificate of Incorporation of the Corporation, as it may be amended, supplemented or restated from time to time.

" Class A Members " has the meaning set forth in Section 2.2.

" Class A Shares " means the limited liability company interests in the Company designated as the Class A Shares and having the rights, power and preferences set forth herein.

" Class B Common Stock " means the Class B common stock, $0.01 par value per share, of the Corporation.

" Class B Members " has the meaning set forth in Section 2.2.

" Class B Shares " means the limited liability company interests in the Company designated as the Class B Shares and having the rights, power and preferences set forth herein.

" Class B Stockholder " has the meaning set forth in the Certificate of Incorporation of the Corporation.

" Company " has the meaning set forth in the preamble hereto.

" Contingencies " has the meaning set forth in section 8.2(a).

" Corporation " means KKR & Co. Inc., a Delaware corporation, and any successor thereto.

" Covered Person(s) " has the meaning set forth in Section 4.1(c).

" Delaware Arbitration Act " has the meaning set forth in Section 9.1(d).

" Delaware General Corporation Law " means the Delaware General Corporation Law, 8 Del.C. § 101, et seq. , as it may be amended from time to time, and any successor statute thereto.

" Designated Member " means each of Henry R. Kravis and George R. Roberts, as the original Designated Members pursuant to Section 3.1(b), and any successor or additional Designated Members designated as such pursuant to Section 3.1(b). At any time there is only a single Designated Member, plural references herein to "Designated Members" shall refer to such single Designated Member.

" Effective Time " has the meaning set forth in Section 9.13.

" Existing Operating Agreement " has the meaning set forth in the preamble hereto.

" Foreign Voting Interests " has the meaning set forth in Section 3.2(b).

" Fund " has the meaning set forth in Section 4.2(a).

" Incompetence " means, with respect to any Member, the entry by a court of competent jurisdiction of an order or judgment adjudicating such Member incompetent to manage his person or his property.

" Interest " means a limited liability company interest (as defined in § 18-101(8) of the LLC Act) in the Company.

" LLC Act " means the Delaware Limited Liability Company Act, 6 Del.C. § 18-101, et seq. , as it may be amended from time to time, and any successor statute thereto.

" Majority in Interest of Class A Members " has the meaning set forth in Section 3.1(a).

" Member " means any person who is a member of the Company. For purposes of the LLC Act, the Members shall be considered a single class or group of members, and except as otherwise specifically provided herein, no Members shall have any right to vote as a separate class on any matter relating to the Company, including any merger, reorganization, conversion, dissolution or liquidation of the Company.

" Officers " has the meaning set forth in Section 3.3(a).

" Percentage Interest " means, with respect to each Member, a fraction, expressed as a percentage, the numerator of which is the number of Class A Shares held by such Member and the denominator of which is the total number of Class A Shares outstanding.

" Person " or " person " means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association (including any group, organization, co-tenancy, plan, board, council or committee), government (including a country, state, county, or any other governmental or political subdivision, agency or instrumentality thereof) or other entity (or series thereof).

" Shares " means Class A Shares or Class B Shares (or both), as the context may require.

" Total Disability " means, with respect to any Member, the inability of such Member substantially to perform the services required of a Member for a period of six consecutive months by reason of physical or mental illness or incapacity and whether arising out of sickness, accident or otherwise.

" Withdraw " or " Withdrawal " with respect to a Member means a Member ceasing to be a member of the Company for any reason (including death, Total Disability, Incompetence, removal, resignation or retirement, whether voluntary or involuntary), unless the context shall limit the type of withdrawal to a specific reason, and " Withdrawn " with respect to a Member means, as aforesaid, a Member who has ceased to be a member of the Company.

" Withdrawn Member " means a Member whose interest in the Company has been discontinued for any reason, including the occurrence of an event specified in Section 7.2, and shall include, unless the context requires otherwise, the estate or legal representatives of any such Member.

1.2 Terms Generally . Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) the terms "include," "includes," "including" or words of like import shall be deemed to be followed by the words "without limitation;" and (d) the terms "hereof," "herein" or "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II

GENERAL PROVISIONS

2.1 Members . The Members as of the date hereof are those persons identified as Members in the books and records of the Company.

2.2 Shares and Identification . The Interests in the Company shall consist of Class A Shares and Class B Shares. The holders of the Class A Shares are referred to herein as the " Class A Members " and the holders of the Class B Shares are referred to herein as the " Class B Members ." Subject to Section 3.1, (i) the Class A Shares shall entitle the holders thereof to voting rights in the Company equal to one vote per Class A Share on each matter with respect to which the Class A Members are entitled to vote and (ii) the Class B Shares shall entitle the holders thereof to voting rights in the Company equal to one vote per Class B Share on each matter with respect to which the Class B Members are entitled to vote. The Company shall ensure that each Class B Member has, at all times, the same number of Class B Shares as the other Class B Members. At the time of admission of each additional Member, the Designated Members shall determine in their sole discretion the number and class of Shares of such Member, subject to the preceding sentence.

2.3 Changes of Shares . The books and records of the Company contain the number and class of Shares of each Member and shall be updated as required by the LLC Act and otherwise to accurately reflect changes to the number and class of Shares of each Member, the admission and Withdrawal of Members and the transfer or assignment of interests pursuant to this Agreement. Any amendment or revision to this information in the books and records in accordance with the immediately preceding sentence shall not be deemed an amendment to this Agreement.

2.4 Continuation; Name; Foreign Jurisdictions . The Company is hereby continued as a limited liability company pursuant to the LLC Act and shall continue to conduct its activities under the name of KKR Management LLC. The certificate of formation of the Company may be amended or restated from time to time by a Majority in Interest of Class A Members, and the Designated Members or Officers so authorized by a Majority in Interest of Class A Members to execute such amendment or restatement will be an "authorized person" (within the meaning of the LLC Act). Each Designated Member and Officer is further authorized to execute and deliver and file (i) as an "authorized person" within the meaning of the LLC Act any other certificates (and any corrections, amendments or restatements thereof) permitted or required to be filed in the office of the Secretary of State of the State of Delaware and (ii) any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

2.5 Term . The term of the Company shall continue until dissolved and its affairs wound up in accordance with this Agreement.

2.6 Purposes; Powers .

(a) The purpose of and the nature and character of the business to be conducted by the Company shall be, directly or indirectly through its Subsidiaries or Affiliates, to (i) hold Class B Common Stock of the Corporation and exercise the rights of the Class B Stockholder specified in the Certificate of Incorporation of the Corporation and the Bylaws of the Corporation or otherwise arising under the Delaware General Corporation Law, and to do all things necessary, desirable, convenient or incidental thereto and (ii) engage in any lawful act or activity for which limited liability companies may be formed under the LLC Act.

(b) Subject to the limitations set forth in this Agreement, the Company will possess and may exercise all of the powers and privileges granted to it by the LLC Act including the ownership and operation of the assets contributed to the Company by the Members, by any other law or this Agreement, together with all powers incidental thereto, so far as such powers are necessary or convenient to the conduct, promotion or attainment of the purpose of the Company set forth in Section 2.6(a).

(c) Subject to Section 3.2(b) and any delegation pursuant to Section 3.3(b), any exercise of the rights of the Class B Stockholder specified in the Certificate of Incorporation of the Corporation, the Bylaws of the Corporation or otherwise arising under the Delaware General Corporation Law with respect to the Company's interest in the Corporation shall require the approval of a Majority in Interest of Class A Members.

(d) Notwithstanding anything herein to the contrary, no transfer by the Company of all or part of the shares of Class B Common Stock of the Corporation held by the Company to another person shall be permitted unless (i) the written approval of a Majority in Interest of Class A Members is obtained prior to such transfer, (ii) the transferee agrees to assume the rights and duties of the Class B Stockholder under the Certificate of Incorporation of the Corporation and to be bound by the provisions of the Certificate of Incorporation of the Corporation and (iii) the Corporation receives a written opinion of counsel acceptable to the Board of Directors of the Corporation in its discretion that such transfer would not result in the loss of limited liability of any stockholder of the Corporation. Any purported transfer of shares of Class B Common Stock of the Corporation held by the Company not made in accordance with this Section 2.6(d) shall be null and void.

2.7 Place of Business . The Company shall maintain a registered office at The Corporation Trust Company, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801. The Company shall maintain an office and principal place of business at such place or places as the Designated Members specify from time to time and as set forth in the books and records of the Company. The name and address of the Company's registered agent is The Corporation Trust Company, 1209 Orange Street, New Castle County, Wilmington, Delaware 19801. The Designated Members may from time to time change the registered agent or registered office in the State of Delaware by an amendment to the certificate of formation of the Company, and upon the filing of such an amendment, this Agreement shall be deemed amended accordingly.

ARTICLE III

MANAGEMENT

3.1 Class A Members .

(a) Class A Members who hold a majority of the Class A Shares outstanding shall constitute a " Majority in Interest of Class A Members "; provided that the Members hereby agree that at any time there shall be one or more Designated Members, the then-serving Designated Members shall be deemed to constitute at least a Majority in Interest of Class A Members for all purposes under this Agreement, the Certificate of Incorporation of the Corporation, the Bylaws of the Corporation or otherwise arising under the Delaware General Corporation Law with respect to the Company's interest in the Corporation and all other Class A Members shall be deemed to constitute less than a Majority in Interest of Class A Members for all such purposes.

(b) Henry R. Kravis and George R. Roberts each shall be an original " Designated Member ." The Designated Members may designate any one or more other Members as successor or additional Designated Members, which successor or additional Designated Members shall exercise all rights and duties of the Designated Members hereunder. A Designated Member shall cease to be a Designated Member only if he (A) Withdraws or (B) consents in his sole discretion to resign as a Designated Member, but does not Withdraw. Except as specified in the preceding sentence, a Designated Member may not be removed without his consent.

(c) Any action by the Designated Members pursuant to this Agreement shall require the unanimous approval of all the then-serving Designated Members. Upon any Designated Member ceasing to be a Designated Member pursuant to Section 3.1(b), the remaining Designated Members shall exercise all rights and duties of the Designated Members hereunder. At any time when there shall not be any Designated Members, all of the powers vested in the Designated Members pursuant to this Agreement and the LLC Act shall be exercised by a Majority in Interest of Class A Members, including all matters relating to the governance of the Company and the establishment of a new management structure.

(d) All decisions and determinations (howsoever described herein) to be made by an Officer, the Designated Members or Class A Members pursuant to this Agreement shall be made in their discretion. Notwithstanding any other provision of this Agreement or otherwise applicable provision of law or equity, whenever in this Agreement an Officer, the Designated Members or Class A Members are permitted or required to make a decision in their "discretion" or under a grant of similar authority or latitude, such Officer, Designated Members or Class A Members shall be entitled to consider only such interests and factors as they desire, including their own interests, and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Company or the Members. Except as otherwise provided in this Agreement, the Class A Members have no authority to bind the Company.

3.2 Class B Members .

(a) Class B Members shall have no right to participate in the management of the Company or to receive any information concerning the affairs of the Company and shall not have any other rights of a Member under this Agreement other than to cause Foreign Voting Interests held by any Affiliate of the Company or the Corporation to be voted in accordance with the directions provided by such Class B Members pursuant to Section 3.2(b). The Company will ensure that there are not less than 12 Class B Members at all times. Except as otherwise provided in this Agreement, the Class B Members have no authority to bind the Company.

(b) Notwithstanding any other provision of this Agreement to the contrary, the Officers shall notify the Class B Members of any matter requiring the approval of the holders of voting interests held directly or indirectly by the Corporation in the general partner or similar control person of an investment vehicle formed in a jurisdiction outside of the United States (" Foreign Voting Interests "), and the Class B Members shall be entitled to instruct the Corporation to cause such Foreign Voting Interests to be voted in accordance with directions received from a majority of Class B Members. The quorum for any such decision of the Class B Members shall be 11, whether acting by meeting or by written consent.

3.3 Officers .

(a) A Majority in Interest of Class A Members may, from time to time as they deem advisable, select one or more natural persons who are members, partners or employees of the Company or its Affiliates and designate them as the "Chief Executive Officer" or "Co-Chief Executive Officers" of the Company. Such Chief Executive Officer or Co-Chief Executive Officers may, from time to time as they deem advisable, select natural persons who are members, partners or employees of the Company or its Affiliates and designate them as officers of the Company (together with the Chief Executive Officer or Co-Chief Executive Officers, the " Officers ") and assign titles to any such persons, including "President," "Co-President," "Chief Operating Officer," "Co-Chief Operating Officer," "Chief Financial Officer," "General Counsel," "Chief Administrative Officer," "Vice President," "Treasurer," "Assistant Treasurer," "Secretary" or "Assistant Secretary." Each Officer shall be deemed to have agreed to the terms of this Agreement by accepting such appointment.

(b) Subject to 2.6(c) and unless a Majority in Interest of Class A Members decides otherwise, if the title is one commonly used for officers of a corporation formed under the Delaware General Corporation Law, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. A Majority in Interest of Class A Members may delegate to any Officer any of the their powers, including the power to bind the Company. Any delegation pursuant to this Section 3.3(b) may be revoked at any time by a Majority in Interest of Class A Members. An Officer may be removed with or without cause at any time by a Majority in Interest of Class A Members. The Officers, to the extent of their powers set forth in this Agreement or otherwise vested in them by action of a Majority in Interest of Class A Members not inconsistent with this Agreement, are agents of the Company for the purpose of the Company's business and the actions of the Officers taken in accordance with such powers shall bind the Company.

(c) Except as otherwise expressly provided in this Agreement, the business and affairs of the Company shall be managed by the Officers. An Officer shall be a "manager" within the meaning of the LLC Act. Except as otherwise specifically provided in this Agreement, no Member, by virtue of its status as such, shall have any management power over the business and affairs of the Company or actual or, to the fullest extent permitted by law, apparent, authority to enter into, execute or deliver contracts on behalf of, or to otherwise bind, the Company. In addition to the powers that now or hereafter can be granted to managers under the LLC Act and to all other powers granted under any other provision of this Agreement, but subject to the provisions of this Agreement, the Officers shall have full power and authority to do all things and on such terms as they determine to be necessary or appropriate to conduct the business of the Company and to exercise all powers and effectuate the purposes set forth in this Agreement.

3.4 Authorization . Subject to Section 2.6(c) and the other provisions of this Agreement relating to the rights of the Class A Members, the Class B Members or the Designed Members, the Company, and any Officer on behalf of the Company, is hereby authorized, without the need for any further act, vote or consent of any Member or other person, to engage in any lawful act or activity for which limited liability companies may be formed under the LLC Act.

ARTICLE IV

EXCULPATION AND INDEMNIFICATION

4.1 Duties; Liabilities; Exculpation .

(a) This Agreement is not intended to, and does not, create or impose any fiduciary duty on any of the Members (including the Designated Members) or Officers or on their respective Affiliates. Notwithstanding any other provision of this Agreement or any duty otherwise existing at law or in equity, the Members (including the Designated Members) and Officers shall, to the maximum extent permitted by law, including Section 18-1101(c) of the Act, owe only such duties and obligations as are expressly set forth in this Agreement, and no other duties (including fiduciary duties), to the Company, the Members, the Officers or any other Person otherwise bound by this Agreement.

(b) To the extent that, at law or in equity, any Member (including a Designated Member) or Officer has duties (including fiduciary duties) and liabilities relating thereto to the Company or to a Member or Officer, the Members (including the Designated Members) or Officers acting under this Agreement will not be liable to the Company or to any Member or Officer for their good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities relating thereto of any Member (including a Designated Member) or Officer otherwise existing at law or in equity, are agreed by the Members to replace to that extent such other duties and liabilities relating thereto of the Members (including the Designated Members) or Officers.

(c) Notwithstanding any other provision of this Agreement, whether express or implied, to the fullest extent permitted by law, no Member or any of such Member's representatives or agents or any Officer, employee, trustee, fiduciary, partner, member, representative or agent of the Company or any of its Affiliates or any person who is or was serving at the request of a Member or Officer as a director, officer, employee, trustee, fiduciary, partner, member, representative, agent or advisor of another person (individually, a " Covered Person " and collectively, the " Covered Persons ") shall be liable to the Company or any other Member for any losses, claims, demands, damages, liabilities (joint or several), expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising as a result of any act or omission (in relation to the Company, this Agreement, any related document or any transaction or investment contemplated hereby or thereby) of a Covered Person, or for any breach of contract (including breach of this Agreement) or any breach of duties (including breach of fiduciary duties) whether arising hereunder, at law, in equity or otherwise, unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Covered Person acted in bad faith or engaged in fraud or willful misconduct; provided that a person shall not be a Covered Person by reason of providing, on a fee-for-services basis or similar arm's-length compensatory basis, agency, advisory, consulting, trustee, fiduciary or custodial services.

(d) Each Covered Person shall be entitled to rely in good faith on the advice of legal counsel to the Company, accountants, other experts and financial or professional advisors, and no act or omission taken or suffered by any Covered Person on behalf of the Company or in furtherance of the interests of the Company in good faith in reliance upon and in accordance with the advice of such counsel, accountants, other experts and financial or professional advisors will be full justification for any such act or omission, and each Covered Person will be fully protected in so acting or omitting to act so long as such counsel, accountants, other experts and financial or professional advisors were selected with reasonable care.

4.2 Indemnification .

(a) Indemnification . To the fullest extent permitted by law, the Company shall indemnify any person (including such person's heirs, executors or administrators) who was or is made or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit, claim or proceeding (brought in the right of the Company or otherwise), whether civil, criminal, administrative or investigative, and whether formal or informal, including appeals, by reason of the fact that such person, or a person for whom such person was the legal representative, is or was a Covered Person for and against all loss and liability suffered and expenses (including legal fees and expenses), judgments, fines and amounts paid in settlement reasonably incurred by such person in connection with such action, suit, claim or proceeding, including appeals; provided that such person shall not be entitled to indemnification hereunder only to the extent such person's conduct constituted fraud, bad faith or willful misconduct. Notwithstanding the preceding sentence, except as otherwise provided in Section 4.2(c), the Company shall be required to indemnify a person described in such sentence in connection with any action, suit, claim or proceeding (or part thereof) commenced by such person only if (x) the commencement of such action, suit, claim or proceeding (or part thereof) by such person was authorized by a Majority in Interest of Class A Members or (y) it is determined that such person was entitled to indemnification by the Company pursuant to Section 4.2(c). The indemnification of a Covered Person who is or was serving at the request of the Company as a director, officer, employee, trustee, fiduciary, partner, member, representative, agent or advisor of another Person (but not with respect to any other type of Covered Person) shall be secondary to any and all indemnification to which such Person is entitled from, firstly, the relevant corporation, partnership, joint venture, trust, limited liability company, nonprofit entity or other enterprise, and from, secondly, the relevant Fund, and will only be paid to the extent the primary indemnification is not paid and the proviso set forth in the first sentence of this Section 4.2(a) does not apply; provided that such corporation, partnership, joint venture, trust, limited liability company, nonprofit entity or other enterprise and such Fund shall not be entitled to contribution or indemnification from or subrogation against the Company, unless otherwise mandated by applicable law. If, notwithstanding the foregoing sentence, the Company makes an indemnification payment or advances expenses to a Person entitled to primary indemnification, the Company shall be subrogated to the rights of such Person against the entity or entities responsible for the primary indemnification. The Company shall not impose any additional conditions, other than those expressly set forth in this Agreement, to indemnification or the advancement of expenses and shall not seek or agree to any judicial or regulatory order that would prohibit a Person entitled to indemnification or the advancement of expenses hereunder from enforcing such Person's rights to such indemnification or advancement of expenses. " Fund " means any fund, investment vehicle or account whose investments are managed or advised by the Corporation or an Affiliate thereof.

(b) Advancement of Expenses. To the fullest extent permitted by law, the Company shall promptly pay expenses (including legal fees and expenses) incurred by any person described in Section 4.2(a) in appearing at, participating in or defending any action, suit, claim or proceeding in advance of the final disposition of such action, suit, claim or proceeding, including appeals, upon presentation of an undertaking on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified under this Section 4.2 or otherwise. Notwithstanding the preceding sentence, except as otherwise provided in Section 4.2(c), the Company shall be required to pay expenses of a person described in Section 4.2(a) in connection with any action, suit, claim or proceeding (or part thereof) commenced by such person only if (x) the commencement of such action, suit, claim or proceeding (or part thereof) by such person was authorized by a Majority in Interest of Class A Members or (y) it is determined that such person was entitled to indemnification by the Company pursuant to Section 4.2(c).

(c) Unpaid Claims . If a claim for indemnification (following the final disposition of such action, suit, claim or proceeding) or advancement of expenses under this Section 4.2 is not paid in full within 30 days after a written claim therefor by any person described in Section 4.2(a) has been received by the Company, such person may file proceedings to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Company shall have the burden of proving that such person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(d) Insurance . To the fullest extent permitted by law, the Company may purchase and maintain insurance on behalf of any person described in Section 4.2(a) against any liability asserted against such person, whether or not the Company would have the power to indemnify such person against such liability under the provisions of this Section 4.2 or otherwise.

(e) Enforcement of Rights . The provisions of this Section 4.2 shall be applicable to all actions, claims, suits or proceedings made or commenced on or after the date of this Agreement, whether arising from acts or omissions to act occurring on, before or after its adoption. The provisions of this Section 4.2 shall be deemed to be a contract between the Company and each person entitled to indemnification under this Section 4.2 (or legal representative thereof) who serves in such capacity at any time while this Section 4.2 and the relevant provisions of applicable law, if any, are in effect, and any amendment, modification or repeal hereof shall not affect any rights or obligations then existing with respect to any state of facts or any action, claim, suit or proceeding then or theretofore existing, or any action, suit, claim or proceeding thereafter brought or threatened based in whole or in part on any such state of facts. The rights of indemnification provided in this Section 4.2 shall neither be exclusive of, nor be deemed in limitation of, any rights to which any person may otherwise be or become entitled or permitted by contract, this Agreement, insurance or as a matter of law, both as to actions in such person's official capacity and actions in any other capacity, it being the policy of the Company that indemnification of any person whom the Company is obligated to indemnify pursuant to Section 4.2(a) shall be made to the fullest extent permitted by law.

(f) Benefit Plans. For purposes of this Section 4.2, references to "persons" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Company" shall include any service as an officer, employee or agent of the Company which imposes duties on, or involves services by, such officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

(g) Non-Exclusivity. This Section 4.2 shall not limit the right of the Company, to the extent and in the manner permitted by law, to indemnify and to advance expenses to, and purchase and maintain insurance on behalf of, persons other than persons described in Section 4.2(a).

ARTICLE V

CAPITAL OF THE COMPANY

5.1 Initial Capital Contributions by Members. Each Member has made, on or prior to the date hereof, Capital Contributions and has acquired the number of Shares as specified in the books and records of the Company.

5.2 No Additional Capital Contributions. Except as otherwise provided in Article VII, no Member shall be required to make additional Capital Contributions to the Company without the consent of such Member or permitted to make additional Capital Contributions to the Company without the consent of a Majority in Interest of Class A Members.

5.3 Withdrawals of Capital. No Member may withdraw any Capital Contributions related to such Member's Shares from the Company, except with the consent of a Majority in Interest of Class A Members.

ARTICLE VI

DISTRIBUTIONS

6.1 Distributions. The Company may make distributions of available cash (subject to reserves and other adjustments as provided herein) or other property to Members at such times and in such amounts as are determined by a Majority in Interest of Class A Members in their discretion. Distributions of cash or other property shall be made among the Members in accordance with their respective Percentage Interests.

6.2 Limitation on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to any Member if such distribution would violate Section 17-607 of the LLC Act or other applicable law.

6.3 Liability of Members and Officers. No Member or Officer shall be liable for any debt, obligation or liability of the Company or of any other Member, solely by reason of being a member or officer of the Company. In no event shall any Member or Withdrawn Member (i) be obligated to make any Capital Contribution or payment to or on behalf of the Company or (ii) have any liability to return distributions received by such Member from the Company, in each case except as otherwise provided in this Agreement, as such Member shall otherwise expressly agree in writing or as may be required by the LLC Act or other applicable law.

6.4 Business Expenses. The Company shall reimburse the Members for reasonable travel, entertainment and miscellaneous expenses incurred by them in the conduct of the Company's business in accordance with rules and regulations established by the Designated Members from time to time. All ordinary and necessary expenses of the Company paid by a Member that are not so reimbursed are required to be paid by such Member.

ARTICLE VII

ADDITIONAL MEMBERS; WITHDRAWAL OF MEMBERS; TRANSFERABILITY

7.1 Additional Members. (a) Effective on the first day of any month (or on such other date as shall be determined by the Designated Members in their sole discretion), (i) the Designated Members shall have the right to admit one or more additional persons into the Company as Class A Members, and (ii) the Class B Members shall have the right to admit one or more additional persons into the Company as Class B Members. The Designated Members shall determine all terms of such additional Member's participation in the Company, including the additional Member's initial Capital Contribution and Percentage Interest.

(b) An additional Member shall be required to make an initial Capital Contribution to the Company at such times and in such amounts as shall be determined by the Designated Members.

(c) The admission of an additional Member will be evidenced by the execution of a counterpart copy of this Agreement by such additional Member or as otherwise determined by the Designated Members.

7.2 Withdrawal of Members. (a) Any Member may Withdraw voluntarily from the Company on the last day of any calendar month (or on such other date as shall be determined by the Designated Members in their sole discretion), on not less than 90 days' prior written notice by such Member to the Designated Members (or on such shorter notice as shall be determined by the Designated Members in their sole discretion).

(b) A Majority in Interest of Class A Members may, in their sole discretion, cause a Class A Member to Withdraw from the Company, subject to Section 7.2(g); such Member, upon written notice by the Designated Members to such Member, shall be deemed to have Withdrawn as of the date specified in such notice, which date shall be on or after the date of such notice; provided that neither Henry R. Kravis nor George R. Roberts may be caused to Withdraw as a Class A Member without his consent.

(c) A majority of Class B Members may, in their sole discretion, cause a Class B Member to Withdraw from the Company, subject to Section 7.2(g); such Member, upon written notice by the Class B Members to such Member, shall be deemed to have Withdrawn as of the date specified in such notice, which date shall be on or after the date of such notice.

(d) Upon the death, Total Disability or Incompetence of a Member, such Member shall thereupon be deemed to have Withdrawn.

(e) Upon the Withdrawal of any Member, including pursuant to clauses (a), (b), (c) and (d) above, such Member shall thereupon cease to be a Member, shall not have any rights of a Member (including voting rights) with respect to such Member's Shares and shall not be entitled to any distribution in respect of such Member's Interest pursuant to Section 18-604 of the LLC Act, and such Member's Shares shall be cancelled, except as otherwise expressly provided herein.

(f) The Withdrawal from the Company of any Member shall not, in and of itself, affect the obligations of the other Members to continue the Company during the remainder of its term.

(g) Notwithstanding that a Majority in Interest of Class A Members has taken action to cause a Member to Withdraw pursuant to Section 7.2(b) or a majority of Class B Members has taken action to cause a Member to Withdraw pursuant to Section 7.2(c), if, following such Withdrawal, such Member has either Class A or Class B Shares outstanding, such Member shall not cease to be a Member and such Member's Shares shall be cancelled only to the extent of the relevant class.

7.3 Consequences to the Company upon Withdrawal of a Member . The Company shall not be dissolved, in and of itself, by the Withdrawal of any Member, but shall continue with the surviving or remaining Members as members thereof in accordance with and subject to the terms and provisions of this Agreement if at the time of such Withdrawal there are one or more remaining Members (any and all such remaining Members being hereby authorized to continue the business of the Company without dissolution and hereby agree to do so).

7.4 Shares of Members Not Transferable . No Member may sell, assign, pledge or otherwise transfer (directly or indirectly, by operation of law or otherwise) or encumber all or any portion of such Member's Shares other than with the approval of a Majority in Interest of Class A Members. No acquirer, assignee, pledgee, legatee, distributee, heir or transferee (by conveyance, operation of law or otherwise) of the whole or any portion of any Member's Shares shall have any right to be a Member without the prior written consent of a Majority in Interest of Class A Members, which may be given or withheld in their sole discretion.

7.5 Power of Attorney . Each Member (other than the Designated Members) hereby irrevocably appoints each Designated Member as such Member's true and lawful agent, representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file, on behalf of such Member, any and all agreements, instruments, documents and certificates which either Designated Member deems necessary or advisable in connection with any transaction or matter contemplated by or provided for in this Article VII, including the performance of any obligation of such Member or the Company or the exercise of any right of such Member or the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the Withdrawal of any Member for any reason and shall not be affected by the death, disability or incapacity of such Member.

ARTICLE VIII

DISSOLUTION

8.1 Dissolution .

(a) The Company shall be dissolved, and its affairs shall be wound up only upon the first to occur of the following: (i) the determination of the Designated Members; or (ii) the termination of the legal existence of the last remaining Member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining Member of the Company in the Company unless the business of the Company is continued in a manner permitted by this Agreement or the LLC Act. Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a Member of the Company (other than upon continuation of the Company without dissolution upon an assignment by the last remaining member of the Company of all of its Interest in the Company and the admission of the transferee pursuant to this Agreement), to the fullest extent permitted by law, the personal representative of such Member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of such Member in the Company.

(b) Notwithstanding any other provision of this Agreement, the Bankruptcy of a Member shall not cause such Member to cease to be a member of the Company and, upon the occurrence of any such Bankruptcy, the Company shall continue without dissolution. "Bankruptcy" means, with respect to any Person, (A) if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, or (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties, or (B) if within 120 days of the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, the proceeding has not been dismissed, or if within 90 days of the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties, such appointment is not vacated or stayed, or within 90 days of the expiration of any such stay, such appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of "Bankruptcy" set forth in Sections 18-101(1) and 18-304 of the LLC Act.

8.2 Final Distribution . Upon dissolution, the Company shall continue until the winding up of the affairs of the Company is completed. The assets of the Company shall be applied and distributed in the following order:

(a) First, to the satisfaction of debts and liabilities of the Company (including satisfaction of all indebtedness to Members and their Affiliates to the extent otherwise permitted by law) including the expenses of liquidation and including the establishment of any reserve which the liquidator(s) shall deem reasonably necessary for any contingent, conditional or unmatured contractual liabilities or obligations of the Company (" Contingencies "). Any such reserve may be paid over by the liquidator(s) to any attorney-at-law, or acceptable party, as escrow agent, to be held for disbursement in payment of any Contingencies and, at the expiration of such period as shall be deemed advisable by the liquidator(s) for application of the balance in the manner provided in this Section 8.2; and

(b) The balance, if any, to the Members, pro rata to each of the Members in accordance with their Percentage Interests.

(c) The Designated Members shall be the liquidators. In the event that the Designated Members are unable to serve as liquidators, a liquidating trustee shall be chosen by a Majority in Interest of Class A Members.

8.3 Waiver; Nature of Interest . To the fullest extent permitted by law, except as expressly set forth in Section 8.1(a) with respect to the Designated Members, each Member and Officer hereby irrevocably waives any right or power that such Person may have to, and no Member or Officer shall have any right or power to: (i) institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company (including seeking a decree of judicial dissolution of the Company), (ii) appoint a receiver or trustee of the Company or any of its assets, (iii) maintain an action for judicial accounting or (iv) cause the Company or any of its assets to be partitioned. No Member shall have any interest in any specific assets of the Company, and no Member shall have the status of a creditor with respect to any distribution pursuant to Article VI or Article VIII hereof. The interest of each of the Members in the Company is personal property.

ARTICLE IX

MISCELLANEOUS

9.1 Arbitration .

(a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including without limitation the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York, New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within 30 days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings. Except as required by law or as may be reasonably required in connection with ancillary judicial proceedings to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm or challenge an arbitration award, the arbitration proceedings, including any hearings, shall be confidential, and the parties shall not disclose any awards, any materials in the proceedings created for the purpose of the arbitration, or any documents produced by another party in the proceedings not otherwise in the public domain.

(b) Notwithstanding the provisions of paragraph (a), the Designated Members may bring, or may cause the Company to bring, on behalf of the Designated Members or the Company or on behalf of one or more Members, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, or enforcing an arbitration award and, for the purposes of this paragraph (b), each Member (i) expressly consents to the application of paragraph (c) of this Section 9.1 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the Designated Members as such Member's agents for service of process in connection with any such action or proceeding and agrees that service of process upon any such agent, who shall promptly advise such Member of any such service of process, shall be deemed in every respect effective service of process upon the Member in any such action or proceeding.

(c) Each Member, to the fullest extent permitted by law, (i) irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to this Agreement (including any claims, suits or actions to interpret, apply or enforce this Section 9.1 or any judicial proceeding ancillary to an arbitration or contemplated arbitration arising out of or relating to or concerning this Agreement) shall be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, any other court in the State of Delaware with subject matter jurisdiction; (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper; (iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding; (v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such service shall constitute good and sufficient service of process and notice thereof; provided , that nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law; and (vi) irrevocably waives any and all right to trial by jury in any such claim, suit, action or proceeding.

(d) Notwithstanding any provision of this Agreement to the contrary, the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the " Delaware Arbitration Act ") shall apply to this Agreement, and this Section 9.1 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Arbitration Act. If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 9.1, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 9.1. In that case, this Section 9.1 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 9.1 shall be construed to omit such invalid or unenforceable provision.

9.2 Amendments and Waivers .

(a) This Agreement may be amended, supplemented, waived or modified at any time and from time to time only by the written consent of the Designated Members (or if there are no Designated Members, by the written consent of a Majority in Interest of Class A Members) and any such amendment, supplement, waiver or modification shall not require the consent of any other person (including any other Member).

(b) No failure or delay by any party in exercising any right, power or privilege hereunder (other than a failure or delay beyond a period of time specified herein) shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

9.3 Member Approval . (a) Any action required or permitted to be taken by the Members may be taken at a meeting within or outside the State of Delaware. Meetings of the Members may be held with or without notice at such time and at such place as shall from time to time be determined by the Designated Members.

(b) Any action required or permitted to be taken at any meeting by the Members may be taken without a meeting, without a vote and without prior notice, if holders of a Majority in Interest of Class A Members consent thereto in writing.

(c) Any action required or permitted to be taken by the Class A Members may be taken without a meeting, without a vote and without prior notice, if holders of a Majority in Interest of Class A Members consent thereto in writing.

(d) Any action required or permitted to be taken by the Class B Members may be taken without a meeting, without a vote and without prior notice, if the Class B Members who hold a majority of the Class B Shares outstanding consent thereto in writing.

9.4 Schedules . The Designated Members may from time to time execute and deliver to the Members schedules which set forth the then current Capital Contributions and Percentage Interests of the Members and any other matters deemed appropriate by the Designated Members. Such schedules shall be for information purposes only and shall not be deemed to be part of this Agreement for any purpose whatsoever.

9.5 Classifications as a Corporation . The Company shall elect to be classified as a corporation under Section 7701(a)(3) of the Internal Revenue Code and Treas. Reg. §301.7701-2(b).

9.6 Governing Law; Separability of Provisions . This Agreement shall be governed by, and construed in accordance with, the law of the State of Delaware. In particular, the Company has been formed pursuant to the LLC Act, and the rights and liabilities of the Members shall be as provided therein, except as herein otherwise expressly provided. If any provision of this Agreement shall be held to be invalid, such provision shall be given its meaning to the maximum extent permitted by law and the remainder of this Agreement shall not be affected thereby.

9.7 Successors and Assigns . This Agreement shall be binding upon and shall, subject to Section 7.4, inure to the benefit of the parties hereto, their respective heirs and personal representatives, and any successor to a trustee of a trust which is or becomes a party hereto; provided that no person claiming by, through or under a Member (whether such Member's heir, personal representative or otherwise), as distinct from such Member itself, shall have any rights as, or in respect to, a Member (including the right to approve or vote on any matter or to notice thereof) except the right to receive only those distributions expressly payable to such person pursuant to Article VI or Article VIII. Any Member or Withdrawn Member shall remain liable for the obligations under this Agreement of any transferee of all or any portion of such Member's or Withdrawn Member's interest in the Company, unless waived by the Designated Members. Nothing in this Agreement is intended, nor shall anything herein be construed, to confer any rights, legal or equitable, on any person other than the Members and their respective legal representatives, heirs, successors and permitted assigns and the Covered Persons.

9.8 Notices . All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax, by electronic mail, by registered or certified mail (postage prepaid) or by any communication permitted by the LLC Act to the respective parties at the addresses shown in the Company's books and records (or at such other address for a party as shall be specified in any notice given in accordance with this Section 9.8).

9.9 Counterparts . This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute a single instrument.

9.10 Power of Attorney . Each Member hereby irrevocably appoints each Designated Member as such Member's true and lawful representative and attorney-in-fact, each acting alone, in such Member's name, place and stead, to make, execute, sign and file all instruments, documents and certificates which, from time to time, may be required to set forth any amendment to this Agreement or may be required by this Agreement or by the laws of the United States of America, the State of Delaware or any other jurisdiction in which the Company shall determine to do business, or any political subdivision or agency thereof, to execute, implement and continue the valid and subsisting existence of the Company. Such power of attorney is coupled with an interest and shall survive and continue in full force and effect notwithstanding the subsequent Withdrawal of any Member for any reason and shall not be affected by the subsequent disability or incapacity of such Member.

9.11 Cumulative Remedies . Rights and remedies under this Agreement are cumulative and do not preclude use of other rights and remedies available under applicable law.

9.12 Entire Agreement . Subject to Section 9.4, this Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

9.13 Effective Time . This Agreement shall be effective, and the provisions hereof shall become operative, upon effectiveness of the Conversion (the " Effective Time ").

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Designated Members have executed this Agreement effective as set forth in the preamble hereto.

DESIGNATED MEMBERS

/s/ Henry R. Kravis
Henry R. Kravis

/s/ George R. Roberts
George R. Roberts

Exhibit 10.1

Execution Version

Amendment to Tax Receivable Agreement

Amendment, dated as of May 3, 2018 and effective as of the Effective Time (as defined below) (this " Amendment ") among KKR Holdings L.P., a Cayman limited partnership (" KKR Holdings "), KKR Management Holdings Corp., a Delaware corporation, KKR & Co. L.P., a Delaware limited partnership (" Parent "), KKR Management Holdings L.P., a Delaware limited partnership, and KKR Group Holdings Corp., a Delaware corporation (collectively, the " Parties "), to the Agreement (as defined below).

W I T N E S S E T H

WHEREAS, the Parties heretofore executed and delivered a Tax Receivable Agreement, dated as of July 14, 2010 (the " Agreement "); and

WHEREAS, in connection with an internal reorganization involving the conversion of Parent into a Delaware corporation and the dissolution of KKR Group Holdings L.P. and KKR Group Limited, and the succession thereto by KKR Group Holdings Corp., the Parties and KKR Group Holdings Corp. desire to make related amendments to the Agreement.

Capitalized terms used herein but not defined herein shall have the meanings assigned to such terms in the Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Amendment to Section 1.01 of the Agreement .

   (a) The definition of "Change of Control" is hereby amended and restated in its entirety as follows:

   " Change of Control " means the occurrence of any Person, other than KKR Management LLC or a Person approved by KKR Management LLC, becoming the Class B Stockholder.

   (b) The following definitions are hereby added in proper alphabetical order:

   " Class A Common Stock " means shares of Class A Common Stock, par value $0.01 per share, of Parent.

   " Class B Stockholder " means KKR Management LLC, a Delaware limited liability company, and any successor or transferee that becomes the beneficial owner of the Class B Common Stock, par value $0.01 per share, of Parent.

   (c) The definition of "Exchange Agreement" is hereby amended and restated in its entirety as follows:

   " Exchange Agreement " means the Second Amended and Restated Exchange Agreement, dated as of the date hereof and effective as of the Effective Time, among Parent, the Group Partnerships, KKR Holdings, KKR Group Holdings L.P., KKR Subsidiary Partnership L.P. and KKR Group Limited, as it may be amended, supplement or restated from time to time.

(d) The definitions of "Common Units" and "Managing Partner" are hereby deleted.

(e) Reference to "the board of directors of the Managing Partner" in the definition of "Market Value" is hereby amended and replaced by reference to "the Board of Directors of Parent".

(f) The definition of "Parent" is hereby amended and restated in its entirety as follows:

" Parent " means KKR & Co. Inc., and any successor thereto.

2. Amendment to Section 3.01(b) of the Agreement .

(a) Section 3.01(b) is hereby amended by adding the following after the last sentence thereof: "In addition, with respect to any Exchange that occurs on or after the Effective Time and within the five (5) year period ending on the fifth anniversary of the Effective Time, other than Exchanges of Group Partnership Interests following the death of an individual that held a direct or indirect interest (or whose affiliated estate planning vehicles held a direct or indirect interest) in such Group Partnership Interests, all Net Tax Benefits attributable to such Exchange and all Tax Benefit Payments payable with respect to such Exchange shall be calculated using a U.S. federal corporate income tax rate equal to the lower of (x) 21.0%, but only if the maximum U.S. federal corporate income tax rate is increased to a rate higher than 21.0% with effectiveness within the five (5) year period ending on the fifth anniversary of the Effective Time, and (y) the actual U.S. federal corporate income tax rate applicable to the Corporate Holdco for the relevant tax periods."

3. Amendment to Section 7.01 of the Agreement .

(a) Reference to "KKR & Co. L.P." is hereby amended and replaced by reference to "KKR & Co. Inc.".

4. Amendment to Section 7.06(a)(i) of the Agreement .

(a) Section 7.06(a)(i) of the Agreement is hereby amended and restated in its entirety as follows:

"(i) that, to the extent Group Partnership Units are effectively transferred in accordance with the terms of the Group Partnership Agreements or any other agreement the applicable Holdings Limited Partner may have entered into with the Parent, a KKR Holdings Affiliate, the Corporate Holdco and/or either of the Group Partnerships, the transferring Limited Partner or KKR Holdings shall assign to the transferee of such Group Partnership Units the transferring Limited Partner's or KKR Holdings' rights under this Agreement with respect to such transferred Group Partnership Units and"

5. Amendment to Section 7.11 of the Agreement .

   (a) Reference to "The Parent Group Partnership" is hereby amended and replaced by reference to "Parent".

   (b) Section 7.11(b) of the Agreement is hereby amended by adding the following after the last sentence thereof: "The determination of the amount of Tax Benefit Payments that a Corporate Holdco would have been required to make had it been treated as a Corporate Holdco on the date of a prior Exchange under this Section 7.11(b) shall be made taking into account whether the applicable Group Partnership had an election in effect under Section 754 of the Code (a "Section 754 election") for the taxable year in which the prior Exchange occurred; provided that, for this purpose, if the applicable Group Partnership makes a Section 754 election in connection with the applicable entity becoming a Corporate Holdco as described in this Section 7.11(b), such Group Partnership shall be deemed not to have a Section 754 election in effect until after the date on which the applicable entity becomes a Corporate Holdco."

6. Effective Time . This Amendment shall be effective, and the provisions hereof shall become operative, at 12:01 a.m. on July 1, 2018 (the " Effective Time ") and no party shall be required to commence performance hereunder until the Effective Time.

7. Miscellaneous . Sections 7.01 through 7.08, 7.13, 7.15 and 7.18 of the Agreement shall apply to this Amendment, *mutatis mutandis* . No amendment to the Agreement shall be required to the extent any entity becomes a successor of any of the parties thereto.

[*Signature pages follow*]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by the undersigned as of the date first above written.

KKR HOLDINGS L.P.

By: KKR Holdings GP Limited, its general partner

By: /s/ David J. Sorkin
Name: David J. Sorkin
Title: Director

KKR MANAGEMENT HOLDINGS CORP.

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Chief Financial Officer

KKR & CO. L.P.

By: KKR Management LLC, its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Chief Financial Officer

KKR MANAGEMENT HOLDINGS L.P.

By: KKR Management Holdings Corp., its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Chief Financial Officer

KKR GROUP HOLDINGS CORP.

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Chief Financial Officer

[Signature Page to Amendment to Tax Receivable Agreement]

Exhibit 10.2

Execution Version

SECOND AMENDED AND RESTATED EXCHANGE AGREEMENT

SECOND AMENDED AND RESTATED EXCHANGE AGREEMENT (this " Agreement "), dated as of May 3, 2018 and effective as of the Effective Time, among KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR International Holdings L.P., KKR Holdings L.P., KKR & Co. L.P., KKR Group Holdings L.P., KKR Subsidiary Partnership L.P., KKR Group Limited and KKR Group Holdings Corp.

WHEREAS, the original Exchange Agreement among KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR Holdings L.P. and KKR & Co. L.P. was executed as of July 14, 2010 in order to provide the parties with certain rights and obligations with respect to the exchange of certain Group Partnership Units for certain partnership interests in KKR & Co. L.P. by certain persons;

WHEREAS, KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR Holdings L.P., KKR & Co. L.P., KKR Group Holdings L.P., KKR Subsidiary Partnership L.P., and KKR Group Limited heretofore executed and delivered an Amended and Restated Exchange Agreement, dated as of November 2, 2010, as amended by the Amendment and Joinder Agreement, dated as of August 5, 2014, to which KKR International Holdings L.P. became a party thereto as a Group Partnership (the " Amended and Restated Exchange Agreement "); and

WHEREAS, in connection with an internal reorganization involving the conversion of KKR & Co. L.P. into KKR & Co. Inc., a Delaware corporation (the " Conversion "), which is currently anticipated to be effective at 12:01 a.m. (Eastern Time) on July 1, 2018, and the dissolution of KKR Group Holdings L.P. and KKR Group Limited, and the succession thereto by KKR Group Holdings Corp., the parties to the Amended and Restated Exchange Agreement and KKR Group Holdings Corp. now desire to enter into this Agreement to amend and restate the Amended and Restated Exchange Agreement in its entirety as more fully set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.1 Definitions.

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

" Agreement " has the meaning set forth in the preamble of this Agreement.

" Business Day " means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York are authorized or required by law to close.

" Class A Common Stock " means the Class A Common Stock, $0.01 par value per share, of the Issuer having the terms set forth in the Issuer Certificate of Incorporation.

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

" Conflicts Committee " means a committee of the Board of Directors of the Issuer comprised of directors having no financial interest (within the meaning of Section 144 of the Delaware General Corporation Law) in any material respect in the transactions contemplated by this Agreement.

" Corporate Holdco " means a corporation (or other entity classified as a corporation for United States federal income tax purposes) that (i) is wholly owned by a KKR Holdings Affiliated Person, (ii) owns solely Group Partnership I Units, (iii) was formed solely for the purpose of owning such Group Partnership I Units, and (iv) has never owned any assets other than Group Partnership I Units or engaged in any other business, or such other corporation designated a Corporate Holdco by a Group Partnership General Partner.

" Delaware Arbitration Act " has the meaning set forth in Section 3.8(c).

" Exchange " has the meaning set forth in Section 2.1(a) of this Agreement.

" Exchange Rate " means the number of shares of Class A Common Stock for which a Group Partnership Unit is entitled to be exchanged. On the date of this Agreement, the Exchange Rate shall be 1 for 1, which Exchange Rate shall be subject to modification as provided in Section 2.4.

" Fair Market Value " means, as of a given time, (i) if shares of Class A Common Stock are traded on a securities exchange, then the volume-weighted average price of a share of Class A Common Stock based on the trades during the most recent completed trading day as reported by the principal securities exchange on which shares of Class A Common Stock are traded and (ii) if shares of Class A Common Stock are not traded on a securities exchange, the fair market value of such asset as reasonably determined by the Conflicts Committee.

" Group Partnership I " means KKR Management Holdings L.P., a Delaware limited partnership, and any successor thereto.

" Group Partnership I General Partner " means KKR Management Holdings Corp., and any successor thereto.

" Group Partnership I Units " means the Class A partnership units of Group Partnership I (and partnership units of any subsequently formed Group Partnership whose interests are held by the Issuer through a Group Partnership Holdco).

" Group Partnership II " means KKR Fund Holdings L.P., a Cayman limited partnership, and any successor thereto.

" Group Partnership II General Partner " means KKR Group Holdings Corp., a Delaware corporation, and any successor thereto.

" Group Partnership II Units " means the Class A partnership units of Group Partnership II (and partnership units of any subsequently formed Group Partnership whose interests the Issuer holds directly or indirectly through entities that are transparent for U.S. federal income tax purposes).

" Group Partnership III " means KKR International Holdings L.P., a Cayman limited partnership, and any successor thereto.

" Group Partnership III General Partner " means KKR Group Holdings Corp. a Delaware corporation, and any successor thereto.

" Group Partnership III Units " means the Class A partnership units of Group Partnership III (and partnership units of any subsequently formed Group Partnership whose interests the Issuer holds directly or indirectly through entities that are transparent for U.S. federal income tax purposes).

" Group Partnership Agreements " means, collectively, the Second Amended and Restated Limited Partnership Agreement of Group Partnership I, the Second Amended and Restated Limited Partnership Agreement of Group Partnership II and the Amended and Restated Limited Partnership Agreement of KKR International Holdings L.P. (and the partnership agreement then in effect of any future partnership designated as a Group Partnership), as each may be amended, supplemented or restated from time to time.

" Group Partnership General Partners " means Group Partnership I General Partner, Group Partnership II General Partner and Group Partnership III General Partner, and any successor thereto (and the general partner of any future partnership designated as a Group Partnership).

" Group Partnership Holdco " means Group Partnership I General Partner (and any future entity that is classified as an association taxable as a corporation for U.S. federal income tax purposes, is directly or indirectly owned by the Issuer and formed for the purposes of holding partnership units of a Group Partnership).

" Group Partnership Unit " means, collectively, one partnership unit in each of Group Partnership I, Group Partnership II and Group Partnership III (and any future partnership designated as a Group Partnership) issued under its respective Group Partnership Agreement.

" Group Partnerships " means, collectively, Group Partnership I, Group Partnership II and Group Partnership III (and any future partnership designated as a Group Partnership).

" Issuer " means KKR & Co. Inc., a Delaware corporation, and any successor thereto.

" Insider Trading Policy " means the insider trading policy of the Issuer applicable to the employees of the Issuer or the Issuer's Subsidiaries, as such insider trading policy may be amended, supplemented or restated from time to time.

" Issuer Certificate of Incorporation " means the Certificate of Incorporation of the Issuer, dated May 3, 2018 and effective as of the Effective Time, as it may be amended, supplemented or restated from time to time.

" KKR Holdings " means KKR Holdings L.P., a limited partnership formed under the laws of the Cayman Islands, and any successor thereto, and its Subsidiaries.

" KKR Holdings Affiliated Person " means each Person that is as of the date of this Agreement or becomes from time to time (i) a general partner or a limited partner of KKR Holdings pursuant to the terms of the KKR Holdings Partnership Agreement or (ii) a general partner, limited partner or holder of any other type of equity interest of any Person included in clause (i) above.

" KKR Holdings Partnership Agreement " means the Amended and Restated Limited Partnership Agreement of KKR Holdings, as amended, supplemented or restated from time to time.

" Notice Date " means, with respect to each Quarter, the date set by the Issuer by which KKR Holdings or a KKR Holdings Affiliated Person is required to provide notice of an Exchange for that Quarter.

" Person " means an individual, corporation, limited liability company, partnership, joint venture, trust, estate, unincorporated organization, association (including any group, organization, co-tenancy, plan, board, council or committee), government (including a country, state, county, or any other governmental or political subdivision, agency or instrumentality thereof) or other entity (or series thereof).

" Public Offering " means a public offering of shares of Class A Common Stock pursuant to an effective registration statement under the Securities Act, other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

" Quarter " means, unless the context requires otherwise, a fiscal quarter of the Issuer.

" Quarterly Exchange Date " means, unless the Issuer cancels such Quarterly Exchange Date pursuant to either Section 2.2(c) or 2.9 hereof, the date set by the Issuer that is (i) at least 60 days after the Notice Date in respect of that Quarter and (ii) (unless otherwise required by Section 409A of the Code) no earlier than the first day following the end of the Quarter that is immediately prior to the day that employees of the Issuer or the Issuer's Subsidiaries would be permitted to trade under the Issuer's Insider Trading Policy.

" Sale Transaction " has the meaning set forth in Section 2.8 of this Agreement.

" Subsidiaries " means any corporation, partnership, joint venture or other legal entity of which KKR Holdings (either alone or through or together with any other subsidiary), owns, directly or indirectly, 50% or more of the stock or other equity interests.

" Subsidiary Partnership " means KKR Subsidiary Partnership L.P., a limited partnership organized under the laws of Delaware, and any successor thereto.

" Transfer Agent " means such bank, trust company or other Person as shall be appointed from time to time by the Issuer pursuant to the Issuer Certificate of Incorporation to act as registrar and transfer agent for the Class A Common Stock.

ARTICLE II.
EXCHANGE OF GROUP PARTNERSHIP UNITS

Section 2.1 Exchange of Group Partnership Units.

(a) Subject to the provisions of the Group Partnership Agreements and the Issuer Certificate of Incorporation and to the provisions of Section 2.2 hereof, KKR Holdings or a KKR Holdings Affiliated Person shall be entitled on any Quarterly Exchange Date to surrender Group Partnership Units to the Group Partnerships in exchange for either (at the option of the Group Partnerships) (x) the delivery on a *pro rata* basis (determined by reference to the relative fair market values of the Group Partnership I Units, Group Partnership II Units and Group Partnership III Units) by the Group Partnerships of a number of shares of Class A Common Stock (acquired from the Issuer) equal to the number of Group Partnership Units surrendered multiplied by the Exchange Rate or (y) cash in an amount equal to the Fair Market Value on the date of such exchange of the shares of Class A Common Stock that KKR Holdings or a KKR Holdings Affiliated Person would receive pursuant to clause (x) (any such exchange, an " Exchange "). Simultaneous with any such Exchange pursuant to clause (x) above, Group Partnership I Units shall be issued to Group Partnership Holdco, Group Partnership II Units shall be issued to Subsidiary Partnership and Group Partnership III Units shall be issued to Group Partnership III General Partner in an amount equal to the number of Group Partnership I Units, Group Partnership II Units or Group Partnership III Units surrendered to each such Group Partnership. Any election by the Group Partnerships to deliver cash to KKR Holdings or a KKR Holdings Affiliated Person, as the case may be, pursuant to clause (y) above, shall be subject to the prior approval of the Conflicts Committee.

(b) Where KKR Holdings or a KKR Holdings Affiliated Person has exercised its right to surrender its Group Partnership Units to the Group Partnerships in an Exchange, Group Partnership Holdco (with respect to Group Partnership I Units), Subsidiary Partnership (with respect to Group Partnership II Units) and Group Partnership III General Partner (with respect to Group Partnership III Units), shall have a superseding right to acquire such interests for an amount of cash or shares of Class A Common Stock equal to the amount of cash or shares of Class A Common Stock (provided by the Issuer) that would be received pursuant to the Exchange.

(c) On the date the Exchange of the Group Partnership Units is effective, all rights of KKR Holdings or a KKR Holdings Affiliated Person as holder of such Group Partnership Units shall cease, and KKR Holdings or such KKR Holdings Affiliated Person shall be treated for all purposes as having become the Record Holder (as defined in the Issuer Certificate of Incorporation) of the shares of Class A Common Stock that are the subject of the Exchange.

(d) Immediately prior to the time Group Partnership Units are surrendered for Exchange by a KKR Holdings Affiliated Person, KKR Holdings shall assign its rights together with its obligations hereunder in connection with an Exchange to such KKR Holdings Affiliated Person beneficially owning such Group Partnership Units.

(e) For the avoidance of doubt, any Exchange of Group Partnership Units shall be subject to the provisions of the Group Partnership Agreements.

Section 2.2 Exchange Procedures.

(a) KKR Holdings or a KKR Holdings Affiliated Person may exercise the right to Exchange Group Partnership Units set forth in Section 2.1(a) above by providing written notice of the Exchange no later than the applicable Notice Date to each Group Partnership General Partner, Subsidiary Partnership and the Issuer substantially in the form of Exhibit A hereto. Such notice shall be duly executed by such holder or such holder's duly authorized attorney in respect of the Group Partnership Units to be exchanged and delivered during normal business hours at the principal executive offices of the Group Partnership General Partners and/or the registered office of the Issuer, as applicable.

(b) A KKR Holdings Affiliated Person may irrevocably revoke any such notice in writing on or before the applicable Quarterly Exchange Date but in no event earlier than the fourth trading day prior to such Quarterly Exchange Date, provided that the average of the mean between high and low trading prices on the New York Stock Exchange for the two trading days immediately preceding the fourth trading day prior to the Quarterly Exchange Date is at least 15% below the average of the mean between the high and low trading prices on the New York Stock Exchange for the two trading days immediately preceding the Notice Date in respect of such Quarterly Exchange Date, provided further that (i) no KKR Holdings Affiliated Person may make more than one such revocation with respect to any Quarterly Exchange Date that is within a twelve (12) month period of the Quarterly Exchange Date with respect to which such revocation was made and (ii) no KKR Holdings Affiliated Person that makes any such revocation in respect of a Quarterly Exchange Date may exercise the right to Exchange Group Partnership Units set forth in Section 2.1(a) in respect of the following Quarterly Exchange Date.

(c) In respect of each Quarterly Exchange Date:

(i) No later than two (2) weeks following the Notice Date, KKR Holdings may determine a maximum number of Group Partnership Units that may be exchanged for shares of Class A Common Stock on the Quarterly Exchange Date. If the number of Group Partnership Units that KKR Holdings and any KKR Holdings Affiliated Persons have elected to Exchange on such Quarterly Exchange Date pursuant to Section 2.1(a) above exceeds such maximum number, then the number of Group Partnership Units that KKR Holdings and each such KKR Holdings Affiliated Person will be permitted to Exchange on such Quarterly Exchange Date will be reduced by proration or similar equitable criteria determined by KKR Holdings in its discretion so that the number of Group Partnership Units that KKR Holdings and all such KKR Holdings Affiliated Persons will be permitted to Exchange on such Quarterly Exchange Date is equal to such maximum number.

(ii) If at any time after the Notice Date and prior to a Quarterly Exchange Date, the Issuer commences a Public Offering or determines that it is reasonably likely that to commence a Public Offering within ninety (90) days following such Quarterly Exchange Date, the Issuer and the Group Partnerships may cancel, at their option, all Exchanges in respect of such Quarterly Exchange Date.

(iii) If a registration statement in respect of shares of Class A Common Stock to be issued in any Exchanges in respect of a Quarterly Exchange Date is not effective on the day prior to such Quarterly Exchange Date, the Issuer and the Group Partnerships may cancel, at their option, all Exchanges that are contemplated to be made pursuant to such registration statement in respect of such Quarterly Exchange Date.

(iv) If the Issuer undertakes to effect an underwritten offering of any shares of Class A Common Stock to be issued in any Exchanges in respect of a Quarterly Exchange Date and the Issuer reasonably determines prior to such Quarterly Exchange Date that such underwritten offering will not occur, the Issuer and the Group Partnerships may cancel, at their option, all Exchanges in respect of such Quarterly Exchange Date.

(d) Each KKR Holdings Affiliated Person beneficially owning the Group Partnership Units that are subject to Exchange pursuant to Section 2.1(a) above shall execute a written assignment and acceptance agreement with respect to such Group Partnership Units prior to such Exchange, which assignment and acceptance agreement shall be delivered during normal business hours at the registered office of KKR Holdings.

(e) As promptly as practicable following the surrender for Exchange of Group Partnership Units in the manner provided in this Article II, each Group Partnership shall deliver or cause to be delivered at the principal executive offices of such Group Partnership or at the office of the Transfer Agent the number of shares of Class A Common Stock issuable upon such Exchange, issued in the name of the KKR Holdings Affiliated Person or KKR Holdings or its designee, as applicable.

Section 2.3 Blackout Periods and Ownership Restrictions . Notwithstanding anything to the contrary, KKR Holdings or a KKR Holdings Affiliated Person shall not be entitled to Exchange Group Partnership Units, and the Issuer and the Group Partnerships shall have the right to refuse to honor any request for Exchange of Group Partnership Units, (i) at any time or during any period if the Issuer or the Group Partnerships shall determine, based on the advice of counsel (which may be inside counsel), that there may be material non-public information that may affect the trading price per share of Class A Common Stock at such time or during such period, (ii) if such Exchange would be prohibited under applicable law or regulation, (iii) to the extent such KKR Holdings Affiliated Person would be prohibited from holding shares of Class A Common Stock under the Issuer Certificate of Incorporation, or (iv) to the extent such Exchange would not be permitted under the policies and procedures established by the general partner of KKR Holdings.

Section 2.4 Splits, Distributions and Reclassifications . The Exchange Rate shall be adjusted accordingly if there is: (1) any subdivision (by split, distribution, reclassification, recapitalization or otherwise) or combination (by reverse split, reclassification, recapitalization or otherwise) of the Group Partnership Units that is not accompanied by an identical subdivision or combination of the shares of Class A Common Stock; or (2) any subdivision (by split, distribution, reclassification, recapitalization or otherwise) or combination (by reverse split, reclassification, recapitalization or otherwise) of the shares of Class A Common Stock that is not accompanied by an identical subdivision or combination of the Group Partnership Units. In the event of a reclassification or other similar transaction as a result of which the shares of Class A Common Stock are converted into another security, then KKR Holdings or a KKR Holdings Affiliated Person, as the case may be, shall be entitled to receive upon Exchange the amount of such security that KKR Holdings or such KKR Holdings Affiliated Person would have received if such Exchange had occurred immediately prior to the effective date of such reclassification or other similar transaction. Except as may be required in the immediately preceding sentence, no adjustments in respect of distributions shall be made upon the Exchange of any Group Partnership Unit.

Section 2.5 Shares of Class A Common Stock to be Issued . The Issuer covenants that if any shares of Class A Common Stock require registration with or approval of any governmental authority under any foreign, U.S. federal or state law before such shares of Class A Common Stock may be issued upon Exchange pursuant to this Article II, the Issuer shall use commercially reasonable efforts to cause such shares of Class A Common Stock to be duly registered or approved, as the case may be. The Issuer shall use commercially reasonable efforts to list the shares of Class A Common Stock required to be delivered upon Exchange prior to such delivery upon each national securities exchange or inter-dealer quotation system upon which the outstanding shares of Class A Common Stock may be listed or traded at the time of such delivery. Nothing contained herein shall be construed to preclude the Issuer or the Group Partnerships from satisfying their obligations in respect of the Exchange of the Group Partnership Units by delivery of shares of Class A Common Stock which are held in the treasury of the Issuer or the Group Partnerships or any of their subsidiaries.

Section 2.6 Taxes . The delivery of shares of Class A Common Stock upon Exchange of Group Partnership Units shall be made without charge to KKR Holdings or a KKR Holdings Affiliated Person for any stamp or other similar tax in respect of such issuance.

Section 2.7 Restrictions . The provisions of Section 7.05 of the Group Partnership Agreements shall apply, *mutatis mutandis* , to any shares of Class A Common Stock issued upon Exchange of Group Partnership Units.

Section 2.8 Subsequent Offerings . The Issuer may from time to time provide the opportunity for KKR Holdings or a KKR Holdings Affiliated Person to sell its Group Partnership Units to the Issuer, the Group Partnerships or any of their subsidiaries on terms no more beneficial than an Exchange (a " Sale Transaction "); provided that no Sale Transaction shall occur unless the Issuer cancels the nearest Quarterly Exchange Date scheduled to occur in the same fiscal year of the Issuer as such Sale Transaction. In connection with a Sale Transaction, KKR Holdings or such KKR Holdings Affiliated Person must provide notice to Issuer at least thirty (30) days prior to the cash settlement of such Sale Transaction in respect of the Group Partnership Units to be sold or within such shorter period of time as may be agreed by the parties hereto. Such notice shall be delivered during normal business hours at the principal executive offices of the Issuer. For the avoidance of doubt, the total aggregate number of Quarterly Exchange Dates and Sale Transactions occurring during any fiscal year of the Issuer shall not exceed four (4).

ARTICLE III.
GENERAL PROVISIONS

Section 3.1 Amendment. The provisions of this Agreement may be amended by the affirmative vote or written consent of each of the Issuer, the Group Partnerships and KKR Holdings. No amendment to this Agreement shall be required to the extent any entity becomes a successor of any of the foregoing parties.

Section 3.2 Addresses and Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by courier service, by fax, by electronic mail (delivery receipt requested) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be as specified in a notice given in accordance with this Section 3.2):

(a) If to a Group Partnership General Partner to:

9 West 57 th Street, Suite 4200
New York, NY 10019
Attention: Chief Financial Officer
Fax: 212-750-0003

(b) If to Subsidiary Partnership to:

9 West 57 th Street, Suite 4200
New York, NY 10019
Attention: Chief Financial Officer
Fax: 212-750-0003

(c) If to Group Partnership I, Group Partnership II or Group Partnership III to:

9 West 57 th Street, Suite 4200
New York, NY 10019
Attention: Chief Financial Officer
Fax: 212-750-0003

(d) If to KKR Holdings, to:

9 West 57 th Street, Suite 4200
New York, NY 10019
Attention: Chief Financial Officer
Fax: 212-750-0003

(e) If to the Issuer, to:

9 West 57 th Street, Suite 4200
New York, NY 10019
Attention: Chief Financial Officer
Fax: 212-750-0003

Section 3.3 Further Action . The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 3.4 Binding Effect . This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their successors, executors, administrators, heirs, legal representatives and assigns. KKR Holdings may enforce the terms of this agreement in the name of or on behalf of any KKR Holdings Affiliated Person. Other than as expressly provided herein, nothing in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

Section 3.5 Severability . If any term or other provision of this Agreement is held to be invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions is not affected in any manner materially adverse to any party. Upon a determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 3.6 Integration . This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

Section 3.7 Waiver . No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

Section 3.8 Submission to Jurisdiction; Waiver of Jury Trial .

(a) Any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) shall be finally settled by arbitration conducted by a single arbitrator in New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within thirty (30) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of Section 3.8(a), in the case of matters relating to an Exchange, KKR Holdings may cause any Group Partnership to bring, on behalf of the Issuer or such Group Partnership or on behalf of any KKR Holdings Affiliated Person, an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph.

(c) Notwithstanding any provision of this Agreement to the contrary, this Section 3.8 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the " Delaware Arbitration Act "). If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 3.8, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 3.8. In that case, this Section 3.8 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 3.8 shall be construed to omit such invalid or unenforceable provision.

Section 3.9 Counterparts . This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Copies of executed counterparts transmitted by telecopy or other electronic transmission service shall be considered original executed counterparts for purposes of this Section 3.9.

Section 3.10 Tax Treatment . To the extent this Agreement imposes obligations upon a particular Group Partnership, or a particular Group Partnership General Partner, this Agreement shall be treated as part of the relevant Group Partnership Agreement as described in Section 761(c) of the Code and Sections 1.704-1(b)(2)(ii)(h) and 1.761-1(c) of the Treasury Regulations. The parties shall report any Exchange consummated hereunder (pursuant to which shares of Class A Common Stock are delivered pursuant to Section 2.1(a) or Section 2.1(b) hereof), in the case of Group Partnership I (or any other Group Partnership owned directly or indirectly by the Issuer through a Group Partnership Holdco), as a taxable sale of Group Partnership I Units by KKR Holdings or a KKR Holdings Affiliated Person to the Group Partnership I General Partner (or such other Group Partnership Holdco), in the case of Group Partnership II, as a taxable sale of Group Partnership II Units by KKR Holdings or a KKR Holdings Affiliated Person to Subsidiary Partnership and, in the case of Group Partnership III, as a taxable sale of Group Partnership III Units by KKR Holdings or a KKR Holdings Affiliated Person to Group Partnership III General Partner, and no party shall take a contrary position on any income tax return, amendment thereof or communication with a taxing authority.

Section 3.11 Applicable Law . This Agreement shall be governed by, and construed in accordance with, the law of the State of Delaware.

Section 3.12 Effective Time . This Agreement shall be effective, and the provisions hereof shall become operative, upon the effectiveness of the Conversion (the " Effective Time ") and no party shall be required to commence performance hereunder until the Effective Time.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered, all as of the date first set forth above.

KKR & CO. L.P.

By: KKR Management LLC, its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Chief Financial Officer

KKR MANAGEMENT HOLDINGS L.P.

By: KKR Management Holdings Corp., its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Chief Financial Officer

KKR FUND HOLDINGS L.P.

By: KKR Fund Holdings GP Limited, its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Director

And

By: KKR Group Holdings L.P., its general partner

By: KKR Group Limited, its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Director

KKR INTERNATIONAL HOLDINGS L.P.

By: KKR Fund Holdings GP Limited, its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Director

And

By: KKR Group Holdings L.P., its general partner

By: KKR Group Limited, its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Director

KKR HOLDINGS L.P.

By: KKR Holdings GP Limited, its general partner

By: /s/ David J. Sorkin
Name: David J. Sorkin
Title: Director

KKR GROUP HOLDINGS L.P.

By: KKR Group Limited, its general partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Director

KKR SUBSIDIARY PARTNERSHIP L.P.

By: KKR Group Holdings L.P., its general partner

By: KKR Group Limited, its general partner

By: /s/ William J. Janetschek

Name: William J. Janetschek
Title: Director

KKR GROUP LIMITED

By: /s/ William J. Janetschek

Name: William J. Janetschek
Title: Director

KKR GROUP HOLDINGS CORP.

By: /s/ William J. Janetschek

Name: William J. Janetschek
Title: Chief Financial Officer

EXHIBIT A

[FORM OF]
NOTICE OF EXCHANGE

KKR Management Holdings Corp.
KKR Group Holdings Corp.
KKR Subsidiary Partnership L.P.
KKR & Co. Inc.
KKR Holdings L.P.
9 West 57 th Street, Suite 4200
New York, NY 10019

Reference is hereby made to the Second Amended and Restated Exchange Agreement (the " Exchange Agreement "), among KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR International Holdings L.P., KKR Holdings L.P., KKR & Co. L.P., KKR Group Holdings L.P., KKR Subsidiary Partnership L.P., KKR Group Limited and KKR Group Holdings Corp. as amended from time to time and to the First Amended and Restated Limited Partnership Agreement (the " Holdings LPA ") of KKR Holdings L.P.

The undersigned (the " Exchanging KKR Holdings Affiliated Person ") desires to exchange the number of units of KKR Holdings L.P. set forth on line B of the notice related hereto (the " Exchange Holdings Units ") for units of KKR Management Holdings L.P., KKR Fund Holdings L.P. and KKR International Holdings L.P. (the " Exchange Group Partnership Units ") and to exchange such Exchange Group Partnership Units for shares of Class A Common Stock pursuant to an Exchange (as defined in the Exchange Agreement). Accordingly, the Exchanging KKR Holdings Affiliated Person hereby (i) gives notice to KKR Holdings L.P. of its election to transfer Exchange Holdings Units in exchange for Exchange Group Partnership Units pursuant to Section 9.2 of the Holdings LPA (the " Group Exchange ") and (ii) gives notice to KKR Management Holdings Corp., KKR Group Holdings Corp., KKR Subsidiary Partnership L.P. and KKR & Co. Inc. of its election to exchange such Exchange Group Partnership Units for shares of Class A Common Stock in an Exchange pursuant to Section 2.2 of the Exchange Agreement. The Exchanging KKR Holdings Affiliated Person acknowledges that the number of units of KKR Holdings L.P. to be exchanged pursuant to clause (i) in the preceding sentence shall be equal to the lesser of (x) the number of Exchange Holdings Units set forth on line B of the notice related hereto, (y) the number of Exchange Holdings Units that the general partner of KKR Holdings L.P. shall determine that the Exchanging KKR Holdings Affiliated Person is permitted to exchange pursuant to Section 9.2(b) of the Holdings LPA and (z) the number of Exchange Holdings Units corresponding to the number of units of KKR Management Holdings L.P., KKR Fund Holdings L.P. and KKR International Holdings L.P. that the Exchanging KKR Holdings Affiliated Person is permitted to exchange taking into account any limitations imposed pursuant to Section 2.2(c) of the Exchange Agreement.

Pursuant to the foregoing, the Exchanging KKR Holdings Affiliated Person hereby (1) represents that such Exchange Holdings Units shall immediately prior to the Group Exchange be owned by it, (2) irrevocably constitutes and appoints any officer of the general partner of KKR Holdings L.P. as its attorney, with full power of substitution, to exchange the Exchange Holdings Units on the books of KKR Holdings L.P. for the Exchange Group Partnership Units on the books of KKR Management Holdings L.P., KKR Fund Holdings L.P. and KKR International Holdings L.P., with full power of substitution in the premises and (3) irrevocably constitutes and appoints any officer of the general partner of KKR Management Holdings L.P., KKR Fund Holdings L.P. or KKR International Holdings L.P. as its attorney, with full power of substitution, to exchange the Exchange Group Partnership Units on the books of KKR Management Holdings L.P., KKR Fund Holdings L.P. and KKR International Holdings L.P. for shares of Class A Common Stock on the books of KKR & Co. Inc., with full power of substitution in the premises.

Exhibit 10.3

Execution Version

AMENDMENT NO. 3 TO THE
SECOND AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
OF
KKR MANAGEMENT HOLDINGS L.P.

This AMENDMENT NO. 3 (this " ***Amendment*** "), dated as of May 3, 2018 and effective as of the Effective Time (as defined below), to the Second Amended and Restated Limited Partnership Agreement, dated as of October 1, 2009, as amended by Amendment No. 1, dated as of March 17, 2016, and Amendment No. 2, dated as of June 20, 2016 (as amended from time to time, the " ***Agreement*** "), of KKR Management Holdings L.P., a Delaware limited partnership (the " ***Partnership*** "), is made by KKR Management Holdings Corp., a Delaware corporation, as the general partner of the Partnership (the " ***General Partner*** "), and KKR & Co. L.L.C., a Delaware limited liability company, as limited partner (the " ***Limited Partner*** "). Each of the capitalized terms used herein that is not otherwise defined herein shall have the meaning ascribed thereto under the Agreement.

W I T N E S S E T H

WHEREAS , in connection with the conversion of KKR & Co. L.P., a Delaware limited partnership and an indirect controlling entity of the General Partner, into a Delaware corporation (the " ***Conversion*** "), which is currently anticipated to be effective at 12:01 a.m. (Eastern Time) on July 1, 2018, the General Partner and the Limited Partner wish to amend the Agreement pursuant to Section 10.12(a) of the Agreement as set out below.

NOW, THEREFORE , the Agreement is hereby amended as follows:

FIRST : The following amendments to Section 1.01 of the Agreement be and hereby are made:

1. The following definitions are hereby inserted in proper alphabetical order:

" Class A Common Stock " means Class A Common Stock, $0.01 par value per share, of KKR & Co. Inc., a Delaware corporation.

" Partnership Representative " has the meaning set forth in Section 5.08.

2. The definition of "Exchange Agreement" is hereby amended by adding ", or any successor thereto" after "KKR & Co. L.P., a Delaware limited partnership".

3. The definitions of "Common Units," "Investment Agreement" and "US Listing" are hereby deleted.

SECOND : References in the Agreement to "a Common Unit" or "Common Units" are hereby replaced by references to "a share of Class A Common Stock" or "shares of Class A Common Stock", as applicable.

THIRD : The first five sentences of Section 5.08 of the Agreement are hereby amended and restated in their entirety as follows:

For tax years beginning before December 31, 2017, the General Partner shall be or shall designate the "tax matters partner" within the meaning of Section 6231(a)(7) of the Code (as in effect prior to 2018) (the " Tax Matters Partner ") and, for tax years beginning after December 31, 2017, the General Partner shall be or shall designate the "partnership representative" within the meaning of Section 6223 of the Code (the " Partnership Representative "). The Partnership shall file as a partnership for federal, state, provincial and local income tax purposes, except where otherwise required by Law. All elections required or permitted to be made by the Partnership, and all other tax decisions and determinations relating to federal, state, provincial or local tax matters of the Partnership, shall be made by the Tax Matters Partner or the Partnership Representative, as applicable, in consultation with the Partnership's attorneys and/or accountants. Tax audits, controversies and litigations shall be conducted under the direction of the Tax Matters Partner or the Partnership Representative, as applicable. The Tax Matters Partner or the Partnership Representative, as applicable, shall keep the other Partners reasonably informed as to any tax actions, examinations or proceedings relating to the Partnership and shall submit to the other Partners, for their review and comment, any settlement or compromise offer with respect to any disputed item of income, gain, loss, deduction or credit of the Partnership.

FOURTH : The following amendments to Section 11.02 of the Agreement be and hereby are made:

1. The following definitions are hereby amended and restated in their entirety as follows:

" Change of Control Event " has the meaning set forth in Section 21.02 of the Issuer Certificate of Incorporation.

" Issuer " means KKR & Co. Inc.

2. The following definitions are hereby inserted in proper alphabetical order:

" Issuer Certificate of Incorporation " means the Certificate of Incorporation of the Issuer, dated as of May 3, 2018 and effective as of the Effective Time, as it may be amended or restated from time to time.

" Series A Preferred Stock " means the preferred stock, $0.01 par value per share, of the Issuer that has been designated as Series A Preferred Stock.

3. The definition of "Issuer Limited Partnership Agreement" is hereby deleted.

FIFTH : References in the Agreement to "Issuer Limited Partnership Agreement" are hereby replaced by references to "Issuer Certificate of Incorporation".

SIXTH : References to "preferred units" in Section 11.05 of the Agreement are hereby replaced with references to "Series A Preferred Stock".

SEVENTH : Section 11.06 of the Agreement is hereby amended and restated in its entirety as follows:

SECTION 11.06 . Distribution Rate .

If the dividend rate per annum on the Series A Preferred Stock issued by the Issuer shall increase pursuant to Section 21.06 of the Issuer Certificate of Incorporation, then the Distribution Rate shall increase by the same amount beginning on the same date as set forth in Section 21.06 of the Issuer Certificate of Incorporation.

EIGHTH : The following amendments to Section 12.02 of the Agreement be and hereby are made:

1. The following definitions are hereby amended and restated in their entirety as follows:

" Change of Control Event " has the meaning set forth in Section 22.02 of the Issuer Certificate of Incorporation.

" Issuer " means KKR & Co. Inc.

2. The following definitions are hereby inserted in proper alphabetical order:

" Issuer Certificate of Incorporation " means the Certificate of Incorporation of the Issuer, dated as of May 3, 2018 and effective as of the Effective Time, as it may be amended or restated from time to time.

" Series B Preferred Stock " means the preferred stock, $0.01 par value per share, of the Issuer that has been designated as Series B Preferred Stock.

3. The definition of "Issuer Limited Partnership Agreement" is hereby deleted.

NINTH : References to "preferred units" in Section 12.05 of the Agreement are hereby replaced with references to "Series B Preferred Stock".

TENTH : Section 12.06 of the Agreement is hereby amended and restated in its entirety as follows:

SECTION 12.06 . Distribution Rate .

If the dividend rate per annum on the Series B Preferred Stock issued by the Issuer shall increase pursuant to Section 22.06 of the Issuer Certificate of Incorporation, then the Distribution Rate shall increase by the same amount beginning on the same date as set forth in Section 22.06 of the Issuer Certificate of Incorporation.

ELEVENTH : Except as so modified pursuant to this Amendment, the terms of the Agreement shall remain in full force and effect in all respects.

TWELFTH : This Amendment shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

THIRTEENTH : If any provision of this Amendment is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

FOURTEENTH : This Amendment shall be effective, and the provisions hereof shall become operative, upon the effectiveness of the Conversion (the " Effective Time ").

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the date first written above.

KKR MANAGEMENT HOLDINGS CORP.,
as General Partner

By: /s/ William J. Janetschek
Name: William J. Janetschek
Title: Chief Financial Officer

KKR & CO. L.L.C.,
as Limited Partner

By: /s/ David J. Sorkin
Name: David J. Sorkin
Title: Authorized Person

[Signature Page to Amendment No. 3 to Second Amended and Restated LPA of KKR Management Holdings L.P.]

Exhibit 10.4

Execution Version

Deed of Amendment to Second Amended and Restated Limited Partnership Agreement

of

KKR Fund Holdings L.P.

Dated May 3, 2018
Effective as of the Effective Time (as defined herein)

KKR Group Holdings L.P.

(as general partner)

and

KKR Fund Holdings GP Limited

(as general partner)

and

KKR Intermediate Partnership L.P.

(as limited partner)

and

KKR Group Holdings Corp.

(as new general partner)

This Deed of Amendment (this " **Deed** ") is made on May 3, 2018 and effective as of the Effective Time (as defined below)

Between :

(1) **KKR Group Holdings L.P.** , an exempted limited partnership registered in the Cayman Islands whose registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, as general partner (the " **First General Partner** ");

(2) **KKR Fund Holdings GP Limited** an exempted company registered in the Cayman Islands whose registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, as general partner (the " **Second General Partner** ");

(3) **KKR Intermediate Partnership L.P.** , an exempted limited partnership registered in the Cayman Islands whose registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the " **Limited Partner** "); and

(4) **KKR Group Holdings Corp.** , a Delaware corporation (the " **New General Partner** ").

Whereas :

(A) The First General Partner and the Second General Partner are the general partners of KKR Fund Holdings L.P., a Cayman Islands exempted limited partnership (the " **Partnership** ") constituted under the Exempted Limited Partnership Law (2018 Revision) (the " **ELP Law** ") and pursuant to a Second Amended and Restated Limited Partnership Agreement dated 1 October 2009, between the First General Partner, Second General Partner, the Limited Partner and KKR & Co. L.P., as retiring general partner (as amended and/or amended and restated from time to time) (the " **Agreement** ").

(B) In connection with an internal reorganization involving the conversion of KKR & Co. L.P., a Delaware limited partnership and a controlling entity of the First General Partner and the Second General Partner, into a Delaware corporation (the " **Conversion** "), which is currently anticipated to be effective at 12:01 a.m. (Eastern Time) on July 1, 2018, the First General Partner, Second General Partner and Limited Partner wish, pursuant to this Deed, to amend the Agreement pursuant to Section 10.12(a) of the Agreement as set out in Clause 2 below;

(C) In connection with the internal reorganization, the First General Partner wishes to transfer its general partner interest in the Partnership to the New General Partner and withdraw as a general partner of the Partnership pursuant to the Agreement and the New General Partner wishes to be appointed as a general partner of the Partnership (to serve as a general partner of the Partnership alongside the Second General Partner) on the terms of the Agreement pursuant to this Deed;

(D) The Limited Partner has consented to the admission of the New General Partner and the withdrawal of the First General Partner; and

(E) Further in connection with the internal reorganization, the First General Partner, also being a limited partner of the Partnership, wishes to assign, transfer and convey the entirety of its limited partnership interest in the Partnership (the " **Interest** ") to the New General Partner, on the terms and subject to the conditions as set forth herein.

It is agreed as follows:

1 **Interpretation**

In this Deed capitalised words and expressions used but not defined shall have the meanings ascribed to them in the Agreement, unless the context otherwise requires.

2 **Amendment**

With effect from the Effective Time, the Agreement is amended as follows:

2.1 The following amendments to Section 1.01 of the Agreement be and hereby are made:

(a) The following definitions are hereby inserted in proper alphabetical order:

" Class A Common Stock " means Class A Common Stock, $0.01 par value per share, of KKR & Co. Inc., a Delaware corporation.

" Partnership Representative " has the meaning set forth in Section 5.08.

(b) The definition of "Exchange Agreement" is hereby amended by adding ", or any successor thereto" after "KKR & Co. L.P., a Delaware limited partnership".

(c) The definitions of "Common Units," "Investment Agreement" and "US Listing" are hereby deleted.

2.2 References in the Agreement to "a Common Unit" or "Common Units" are hereby replaced by references to "a share of Class A Common Stock" or "shares of Class A Common Stock", as applicable.

2.3 The first five sentences of Section 5.08 of the Agreement are hereby amended and restated in their entirety as follows:

For tax years beginning before December 31, 2017, KKR Group Holdings L.P. or any successor thereto shall be or shall designate the "tax matters partner" within the meaning of Section 6231(a)(7) of the Code (as in effect prior to 2018) (the " Tax Matters Partner ") and, for tax years beginning after December 31, 2017, KKR Group Holdings L.P. or any successor thereto shall be or shall designate the "partnership representative" within the meaning of Section 6223 of the Code (the " Partnership Representative "). The Partnership shall file as a partnership for federal, state, provincial and local income tax purposes, except where otherwise required by Law. All elections required or permitted to be made by the Partnership, and all other tax decisions and determinations relating to federal, state, provincial or local tax matters of the Partnership, shall be made by the Tax Matters Partner or the Partnership Representative, as applicable, in consultation with the Partnership's attorneys and/or accountants. Tax audits, controversies and litigations shall be conducted under the direction of the Tax Matters Partner or the Partnership Representative, as applicable. The Tax Matters Partner or the Partnership Representative, as applicable, shall keep the other Partners reasonably informed as to any tax actions, examinations or proceedings relating to the Partnership and shall submit to the other Partners, for their review and comment, any settlement or compromise offer with respect to any disputed item of income, gain, loss, deduction or credit of the Partnership.

2.4 The following amendments to Section 11.02 of the Agreement be and hereby are made:

(a) The following definitions are hereby amended and restated in their entirety as follows:

" Change of Control Event " has the meaning set forth in Section 21.02 of the Issuer Certificate of Incorporation.

" Issuer " means KKR & Co. Inc.

(b) The following definitions are hereby inserted in proper alphabetical order:

" Issuer Certificate of Incorporation " means the Certificate of Incorporation of the Issuer, dated as of May 3, 2018 and effective as of the Effective Time, as it may be amended or restated from time to time.

" Series A Preferred Stock " means the preferred stock, $0.01 par value per share, of the Issuer that has been designated as Series A Preferred Stock.

(c) The definition of "Issuer Limited Partnership Agreement" is hereby deleted.

2.5 References in the Agreement to "Issuer Limited Partnership Agreement" are hereby replaced by references to "Issuer Certificate of Incorporation".

2.6 References to "preferred units" in Section 11.05 of the Agreement are hereby replaced with references to "Series A Preferred Stock".

2.7 Section 11.06 of the Agreement is hereby amended and restated in its entirety as follows:

SECTION 11.06 . Distribution Rate .

If the dividend rate per annum on the Series A Preferred Stock issued by the Issuer shall increase pursuant to Section 21.06 of the Issuer Certificate of Incorporation, then the Distribution Rate shall increase by the same amount beginning on the same date as set forth in Section 21.06 of the Issuer Certificate of Incorporation.

2.8 References to "Series A Preferred Units" in Section 11.08(c) of the Agreement are hereby replaced with references to "Series A Preferred Stock".

2.9 The following amendments to Section 12.02 of the Agreement be and hereby are made:

(a) The following definitions are hereby amended and restated in their entirety as follows:

" Change of Control Event " has the meaning set forth in Section 22.02 of the Issuer Certificate of Incorporation.

" Issuer " means KKR & Co. Inc.

(b) The following definitions are hereby inserted in proper alphabetical order:

" Issuer Certificate of Incorporation " means the Certificate of Incorporation of the Issuer, dated as of May 3, 2018 and effective as of the Effective Time, as it may be amended or restated from time to time.

" Series B Preferred Stock " means the preferred stock, $0.01 par value per share, of the Issuer that has been designated as Series B Preferred Stock.

(c) The definition of "Issuer Limited Partnership Agreement" is hereby deleted.

2.10 References to "preferred units" in Section 12.05 of the Agreement are hereby replaced with references to "Series B Preferred Stock".

2.11 Section 12.06 of the Agreement is hereby amended and restated in its entirety as follows:

SECTION 12.06 . Distribution Rate .

If the dividend rate per annum on the Series B Preferred Stock issued by the Issuer shall increase pursuant to Section 22.06 of the Issuer Certificate of Incorporation, then the Distribution Rate shall increase by the same amount beginning on the same date as set forth in Section 22.06 of the Issuer Certificate of Incorporation.

2.12 References to "Series B Preferred Units" in Section 12.08(c) of the Agreement are hereby replaced with references to "Series B Preferred Stock".

3 **Transfer of Limited Partnership Interest**

3.1 The First General Partner hereby assigns, transfers and conveys the entirety of the Interest to the New General Partner and the New General Partner hereby accepts all of the First General Partner's right, title and interest in and to the Interest and assumes all of the obligations in relation to the Interest, with effect from the Effective Time, on the terms and subject to the conditions as set forth below.

3.2 The First General Partner and the Second General Partner hereby approve the transfer of the Interest as contemplated by the terms of this Deed and upon the execution of this Deed by all of the parties hereto, confirm that the New General Partner shall be deemed to be admitted as a substitute limited partner of the Partnership and further agree to record the New General Partner as the holder of the Interest in the books and records of the Partnership (the " **Admission** ").

3.3 To the fullest extent permitted by applicable law, the New General Partner hereby accepts such Admission with effect from the Effective Time and undertakes and agrees, as a several obligation in each case, in favour of the Partnership, the First General Partner (in its capacity as a general partner of the Partnership and as transferor of the Interest) and the Second General Partner, to be bound by and to adhere to the terms and provisions of the Agreement, to assume all of the obligations, commitments and liabilities of the First General Partner (in its capacity as a limited partner of the Partnership) arising under the Agreement and to perform the obligations imposed by the Agreement and any subscription agreement which are to be performed on or after the Effective Time, in all respects as if it were an original party thereto and named therein as a limited partner of the Partnership and the holder of the Interest.

3.4 With effect from the Effective Time, the New General Partner (in its capacity as substitute limited partner of the Partnership) hereby confirms the grant of power of attorney to the First General Partner and the Second General Partner contained in the Agreement as if it were set out in this Deed in full and, without limitation to the foregoing, irrevocably constitutes and appoints each of the First General Partner and the Second General Partner as its true and lawful agent and attorney-in-fact with full power to make, execute, deliver, sign, swear to, acknowledge and file all certificates and other instruments (including, without limitation, the Agreement and any amendments thereto and any other deeds contemplated thereby) necessary to carry out the provisions of the Agreement or to admit and accede the New General Partner as a substitute limited partner of the Partnership and to complete any relevant details and schedules of and to the Agreement in respect of the New General Partner's Admission and capital contributions to the Partnership.

3.5 The First General Partner (in its capacity as transferor of the Interest) hereby indemnifies and holds harmless the New General Partner (in its capacity as the transferee of the Interest) with respect to its obligations in connection with the Interest prior to the Effective Time. The New General Partner (in its capacity as the transferee of the Interest) hereby indemnifies and holds harmless the First General Partner (in its capacity as transferor of the Interest) with respect to its obligations in connection with the Interest arising on and after the Effective Time.

3.6 The parties hereto agree that, from the Effective Time with respect to the Interest, save to the extent required pursuant to the ELP Law or as otherwise set out in the Agreement or in this Deed, the First General Partner is hereby released from its obligations as a limited partner under the Agreement and shall cease to be a limited partner of the Partnership.

3.7 Each of the parties hereto agrees to cooperate at all reasonable times from and after the date hereof with respect to the transfer of the Interest, and to execute such further assignments, releases, assumptions, amendments, notifications and other documents as may be reasonably requested for the purpose of giving effect to, or evidencing or giving notice of, the transfer of the Interest.

4 **Substitution of First General Partner for New General Partner**

4.1 Representation of First General Partner

The First General Partner represents and warrants that, at the date of this Deed, it has made the New General Partner aware of all outstanding liabilities of the Partnership.

4.2 Representations of New General Partner

The New General Partner hereby represents and warrants that:

(a) it has the power to execute and deliver this Deed and to perform its obligations under this Deed and the Agreement;

(b) it has taken all necessary action to authorise its execution and delivery of this Deed and to perform its obligations under this Deed and the Agreement;

(c) its execution and delivery of this Deed and the performance of its obligations under this Deed and the Agreement will not violate any provision of law or regulation applicable to it, its constitutional documents, any order of any court or other agency, or instrument of government, or any agreement to which it is a party or by which it or any of its property is bound;

(d) all authorisations of, exemptions by or filings with any governmental or other authority (if any) required to be obtained or made by it in the Cayman Islands with respect to this Deed have been obtained or made and are valid and subsisting and it will maintain the same in full force and effect and will use all reasonable efforts to obtain or make any that may become necessary after the date of this Deed; and

(e) it is not:

(i) in bankruptcy;

(ii) subject to the commencement of liquidation proceedings;

(iii) insolvent; or

(iv) in dissolution.

4.3 The Appointment of the New General Partner and the Withdrawal of the First General Partner

(a) The First General Partner and Second General Partner hereby appoint the New General Partner as a general partner of the Partnership in substitution for the First General Partner and the New General Partner hereby accepts such appointment with effect from the Effective Time, subject to the First General Partner and Second General Partner filing a notice (the " **section 10 Notice** ") in respect of such substitution with the Registrar of Exempted Limited Partnerships of the Cayman Islands pursuant to section 10 of the ELP Law.

(b) The First General Partner hereby withdraws as the general partner immediately after the appointment of the New General Partner.

(c) The New General Partner hereby agrees for the benefit of the parties to this Deed and all limited partners from time to time to be bound by the terms of the Agreement as if it was an original party thereto and shall assume all the obligations as general partner under the Agreement and the ELP Law, in each case, with effect from the Effective Time.

4.4 Liabilities of the First General Partner and the New General Partner

(a) From the Effective Time the First General Partner shall not be liable for any debts, obligations or liabilities of the Partnership or as a general partner under the Agreement and is released from all future obligations and liabilities under the Agreement.

(b) The First General Partner (together with the Second General Partner) shall file or procure the filing of the section 10 Notice with the Registrar of Exempted Limited Partnerships in the Cayman Islands at the appropriate time, in order that the appointment of the New General Partner and the withdrawal of the First General Partner shall take effect at the Effective Time, and the New General Partner will give such assistance with regard to the filing of such a notice as the First General Partner and Second General Partner may require.

(c) The New General Partner agrees that it shall be liable as a general partner for any debts, obligations and liabilities which the First General Partner has or may have incurred or for which it is or becomes liable arising out of events occurring prior to the Effective Time unless such debts, obligations and liabilities arise as a result of the breach by the First General Partner of the Agreement, or the wilful misconduct or actual fraud of the First General Partner or its Affiliates.

(d) The New General Partner hereby agrees that it shall, upon the request of the First General Partner, enter into all necessary documentation and give all reasonable assistance to the First General Partner to novate any debts, obligations or liabilities, contractual or otherwise, which may be necessary or desirable to enable the New General Partner to assume all such debts, obligations and liabilities of the First General Partner.

4.5 Property of the Partnership

(a) The First General Partner with effect from the Effective Time transfers all its right, title and interest in all and any assets, rights or property which it holds upon trust for and on behalf of the Partnership in its capacity as a general partner to the New General Partner to hold on trust on behalf of the Partnership as the substitute general partner.

(b) The parties hereto acknowledge that, as a matter of Cayman Islands law, all Partnership property shall vest without the requirement for further actions or formalities in the New General Partner (together with the Second General Partner). To the extent that any part of the Partnership property is not immediately capable of transfer in any jurisdiction outside the Cayman Islands, the First General Partner shall use reasonable endeavours to transfer the Partnership property to the New General Partner as soon as practicable with effect from the Effective Time.

(c) With effect from the Effective Time and pending the formal transfer of any Partnership property not immediately capable of transfer by this Deed, the First General Partner shall immediately stand possessed of the right, title and interest in all and any Partnership property for the New General Partner so that the Partnership property shall continue to be held upon the trusts by the New General Partner, as a general partner, alongside the Second General Partner, under the Agreement.

(d) The First General Partner shall execute and deliver upon demand such further deeds, agreements or instruments to transfer the title to and property in the Partnership property into the name of the New General Partner (and the Second General Partner) and do all such other things as may be requested by the New General Partner (or the Second General Partner) to give effect to the transfer of the Partnership property.

(e) The First General Partner shall deliver to the New General Partner all books, records, documents, and instruments relating to the conduct of the business of the Partnership.

4.6 Costs

The First General Partner or its Affiliates shall pay all the costs and expenses, including any stamp duties payable in respect of this Deed, arising out of the substitution of the general partner pursuant to the terms of this Deed.

5 **Severability**

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

6 **Agreement**

Save as amended by this Deed, the Agreement shall continue in full force and effect, and is otherwise unamended.

7 **Law and Jurisdiction**

7.1 This Deed and any dispute, claim, suit, action or proceeding of whatever nature arising out of or in any way related to it or its formation (including any non-contractual disputes or claims) are governed by, and shall be construed in accordance with, the laws of the Cayman Islands.

7.2 Each of the parties to this Deed irrevocably agrees that the courts of the Cayman Islands shall have non-exclusive jurisdiction to hear and determine any claim, suit, action or proceeding, and to settle any disputes, which may arise out of or are in any way related to or in connection with this Deed, and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts.

8 **Effective Time**

This Deed shall be effective, and the provisions hereof shall become operative, upon the effectiveness of the Conversion (the " Effective Time ").

[*Remainder of page intentionally blank — signature page follows*]

In witness whereof this Deed has been duly executed and delivered by the undersigned on the date first set out above.

EXECUTED as a DEED by	)	
KKR Group Holdings L.P. , as general partner	)	
By: KKR Group Limited, its general partner		
By:	)	/s/ William J. Janetschek
	)	Name: William J. Janetschek Title: Director
in the presence of:	)	/s/ Rosa Durso
		Name: Rosa Durso
EXECUTED as a DEED by	)	
KKR Fund Holdings GP Limited , as general partner	)	
By:	)	/s/ William J. Janetschek
	)	Name: William J. Janetschek Title: Director
in the presence of:	)	/s/ Rosa Durso
	)	Name: Rosa Durso

[Signature Page to Deed of Amendment to Second Amended and Restated LPA of KKR Fund Holdings L.P.]

EXECUTED as a DEED by)

KKR Intermediate Partnership L.P. ,)
as limited partner

By: KKR Intermediate Partnership GP
Limited, as general partner)
By:) /s/ David J. Sorkin
) Name: David J. Sorkin
) Title: Director

in the presence of:) /s/ Rosa Durso
Name: Rosa Durso

-AND-)
)
KKR & Co. L.L.C., as general partner)
By:) /s/ David J. Sorkin
) Name: David J. Sorkin
) Title: Authorized Person

in the presence of:) /s/ Rosa Durso
) Name: Rosa Durso

EXECUTED as a DEED by)

KKR Group Holdings Corp ., as new)
general partner
By:) /s/ William J. Janetschek
) Name: William J. Janetschek
) Title: Chief Financial Officer

in the presence of:) /s/ Rosa Durso
) Name: Rosa Durso

[Signature Page to Deed of Amendment to Second Amended and Restated LPA of KKR Fund Holdings L.P.]

Exhibit 10.5

Execution Version

Deed of Amendment to Amended and Restated Limited Partnership Agreement

of

KKR International Holdings L.P.

Dated May 3, 2018
Effective as of the Effective Time (as defined herein)

KKR Group Holdings L.P.

(as general partner)

and

KKR Fund Holdings GP Limited

(as general partner)

and

KKR Intermediate Partnership L.P.

(as limited partner)

and

KKR Group Holdings Corp.

(as new general partner)

This Deed of Amendment (this " **Deed** ") is made on May 3, 2018 and effective as of the Effective Time (as defined below)

Between:

(1) **KKR Group Holdings L.P.** , an exempted limited partnership registered in the Cayman Islands whose registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, as general partner (the " **First General Partner** ");

(2) **KKR Fund Holdings GP Limited** an exempted company registered in the Cayman Islands whose registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, as general partner (the " **Second General Partner** ");

(3) **KKR Intermediate Partnership L.P.** , an exempted limited partnership registered in the Cayman Islands whose registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the " **Limited Partner** "); and

(4) **KKR Group Holdings Corp.** , a Delaware corporation (the " **New General Partner** ").

Whereas :

(A) The First General Partner and the Second General Partner are the general partners of KKR International Holdings L.P., a Cayman Islands exempted limited partnership (the " **Partnership** ") constituted under the Exempted Limited Partnership Law (2018 Revision) (the " **ELP Law** ") and pursuant to an Amended and Restated Limited Partnership Agreement dated 5 August 2014, between the First General Partner, Second General Partner, KKR Intermediate Partnership L.P. and KKR ILP LLC, as initial limited partner (as amended and/or amended and restated from time to time) (the " **Agreement** ").

(B) In connection with an internal reorganization involving the conversion of KKR & Co. L.P., a Delaware limited partnership and a controlling entity of the First General Partner and the Second General Partner, into a Delaware corporation (the " **Conversion** "), which is currently anticipated to be effective at 12:01 a.m. (Eastern Time) on July 1, 2018, the First General Partner, Second General Partner and Limited Partner wish, pursuant to this Deed, to amend the Agreement pursuant to Section 10.12(a) of the Agreement as set out in Clause 2 below;

(C) Further in connection with the internal reorganization, the First General Partner wishes to transfer its general partner interest in the Partnership to the New General Partner and withdraw as a general partner of the Partnership pursuant to the Agreement and the New General Partner wishes to be appointed as a general partner of the Partnership (to serve as a general partner of the Partnership alongside the Second General Partner) on the terms of the Agreement pursuant to this Deed; and

(D) The Limited Partner has consented to the admission of the New General Partner and the withdrawal of the First General Partner.

It is agreed as follows:

1 Interpretation

In this Deed capitalised words and expressions used but not defined shall have the meanings ascribed to them in the Agreement, unless the context otherwise requires.

2 Amendment

With effect from the Effective Time, the Agreement is amended as follows:

2.1 The following amendments to Section 1.01 of the Agreement be and hereby are made:

(a) The following definitions are hereby inserted in proper alphabetical order:

" Class A Common Stock " means Class A Common Stock, $0.01 par value per share, of KKR & Co. Inc., a Delaware corporation.

" Partnership Representative " has the meaning set forth in Section 5.08.

(b) The definition of "Exchange Agreement" is hereby amended by adding ", or any successor thereto" after "KKR & Co. L.P., a Delaware limited partnership".

(c) The definitions of "Common Units," "Investment Agreement" and "US Listing" are hereby deleted.

2.2 References in the Agreement to "a Common Unit" or "Common Units" are hereby replaced by references to "a share of Class A Common Stock" or "shares of Class A Common Stock", as applicable.

2.3 The first five sentences of Section 5.08 of the Agreement are hereby amended and restated in their entirety as follows:

For tax years beginning before December 31, 2017, KKR Group Holdings L.P. or any successor thereto shall be or shall designate the "tax matters partner" within the meaning of Section 6231(a)(7) of the Code (as in effect prior to 2018) (the " Tax Matters Partner ") and, for tax years beginning after December 31, 2017, KKR Group Holdings L.P. or any successor thereto shall be or shall designate the "partnership representative" within the meaning of Section 6223 of the Code (the " Partnership Representative "). The Partnership shall file as a partnership for federal, state, provincial and local income tax purposes, except where otherwise required by Law. All elections required or permitted to be made by the Partnership, and all other tax decisions and determinations relating to federal, state, provincial or local tax matters of the Partnership, shall be made by the Tax Matters Partner or the Partnership Representative, as applicable, in consultation with the Partnership's attorneys and/or accountants. Tax audits, controversies and litigations shall be conducted under the direction of the Tax Matters Partner or the Partnership Representative, as applicable. The Tax Matters Partner or the Partnership Representative, as applicable, shall keep the other Partners reasonably informed as to any tax actions, examinations or proceedings relating to the Partnership and shall submit to the other Partners, for their review and comment, any settlement or compromise offer with respect to any disputed item of income, gain, loss, deduction or credit of the Partnership.

2.4 The following amendments to Section 11.02 of the Agreement be and hereby are made:

(a) The following definitions are hereby amended and restated in their entirety as follows:

" Change of Control Event " has the meaning set forth in Section 21.02 of the Issuer Certificate of Incorporation.

" Issuer " means KKR & Co. Inc.

(b) The following definitions are hereby inserted in proper alphabetical order:

" Issuer Certificate of Incorporation " means the Certificate of Incorporation of the Issuer, dated as of May 3, 2018 and effective as of the Effective Time, as it may be amended or restated from time to time.

" Series A Preferred Stock " means the preferred stock, $0.01 par value per share, of the Issuer that has been designated as Series A Preferred Stock.

(c) The definition of "Issuer Limited Partnership Agreement" is hereby deleted.

2.5 References in the Agreement to "Issuer Limited Partnership Agreement" are hereby replaced by references to "Issuer Certificate of Incorporation".

2.6 References to "preferred units" in Section 11.05 of the Agreement are hereby replaced with references to "Series A Preferred Stock".

2.7 Section 11.06 of the Agreement is hereby amended and restated in its entirety as follows:

SECTION 11.06 . Distribution Rate .

If the dividend rate per annum on the Series A Preferred Stock issued by the Issuer shall increase pursuant to Section 21.06 of the Issuer Certificate of Incorporation, then the Distribution Rate shall increase by the same amount beginning on the same date as set forth in Section 21.06 of the Issuer Certificate of Incorporation.

2.8 References to "Series A Preferred Units" in Section 11.08(c) of the Agreement are hereby replaced with references to "Series A Preferred Stock".

2.9 The following amendments to Section 12.02 of the Agreement be and hereby are made:

(a) The following definitions are hereby amended and restated in their entirety as follows:

" Change of Control Event " has the meaning set forth in Section 22.02 of the Issuer Certificate of Incorporation.

" Issuer " means KKR & Co. Inc.

(b) The following definitions are hereby inserted in proper alphabetical order:

" Issuer Certificate of Incorporation " means the Certificate of Incorporation of the Issuer, dated as of May 3, 2018 and effective as of the Effective Time, as it may be amended or restated from time to time.

" Series B Preferred Stock " means the preferred stock, $0.01 par value per share, of the Issuer that has been designated as Series B Preferred Stock.

(c) The definition of "Issuer Limited Partnership Agreement" is hereby deleted.

2.10 References to "preferred units" in Section 12.05 of the Agreement are hereby replaced with references to "Series B Preferred Stock".

2.11 Section 12.06 of the Agreement is hereby amended and restated in its entirety as follows:

SECTION 12.06 . Distribution Rate .

If the dividend rate per annum on the Series B Preferred Stock issued by the Issuer shall increase pursuant to Section 22.06 of the Issuer Certificate of Incorporation, then the Distribution Rate shall increase by the same amount beginning on the same date as set forth in Section 22.06 of the Issuer Certificate of Incorporation.

2.12 References to "Series B Preferred Units" in Section 12.08(c) of the Agreement are hereby replaced with references to "Series B Preferred Stock".

3 Substitution of First General Partner for New General Partner

3.1 Representation of First General Partner

The First General Partner represents and warrants that, at the date of this Deed, it has made the New General Partner aware of all outstanding liabilities of the Partnership.

3.2 Representations of New General Partner

The New General Partner hereby represents and warrants that:

(a) it has the power to execute and deliver this Deed and to perform its obligations under this Deed and the Agreement;

(b) it has taken all necessary action to authorise its execution and delivery of this Deed and to perform its obligations under this Deed and the Agreement;

(c) its execution and delivery of this Deed and the performance of its obligations under this Deed and the Agreement will not violate any provision of law or regulation applicable to it, its constitutional documents, any order of any court or other agency, or instrument of government, or any agreement to which it is a party or by which it or any of its property is bound;

(d) all authorisations of, exemptions by or filings with any governmental or other authority (if any) required to be obtained or made by it in the Cayman Islands with respect to this Deed have been obtained or made and are valid and subsisting and it will maintain the same in full force and effect and will use all reasonable efforts to obtain or make any that may become necessary after the date of this Deed; and

(e) it is not:

(i) in bankruptcy;

(ii) subject to the commencement of liquidation proceedings;

(iii) insolvent; or

(iv) in dissolution.

3.3 The Appointment of the New General Partner and the Withdrawal of the First General Partner

(a) The First General Partner and Second General Partner hereby appoint the New General Partner as a general partner of the Partnership in substitution for the First General Partner and the New General Partner hereby accepts such appointment with effect from the Effective Time, subject to the First General Partner and Second General Partner filing a notice (the " **section 10 Notice** ") in respect of such substitution with the Registrar of Exempted Limited Partnerships of the Cayman Islands pursuant to section 10 of the ELP Law.

(b) The First General Partner hereby withdraws as the general partner immediately after the appointment of the New General Partner.

(c) The New General Partner hereby agrees for the benefit of the parties to this Deed and all limited partners from time to time to be bound by the terms of the Agreement as if it was an original party thereto and shall assume all the obligations as general partner under the Agreement and the ELP Law, in each case, with effect from the Effective Time.

3.4 Liabilities of the First General Partner and the New General Partner

(a) From the Effective Time the First General Partner shall not be liable for any debts, obligations or liabilities of the Partnership or as a general partner under the Agreement and is released from all future obligations and liabilities under the Agreement.

(b) The First General Partner (together with the Second General Partner) shall file or procure the filing of the section 10 Notice with the Registrar of Exempted Limited Partnerships in the Cayman Islands at the appropriate time, in order that the appointment of the New General Partner and the withdrawal of the First General Partner shall take effect at the Effective Time, and the New General Partner will give such assistance with regard to the filing of such a notice as the First General Partner and Second General Partner may require.

(c) The New General Partner agrees that it shall be liable as a general partner for any debts, obligations and liabilities which the First General Partner has or may have incurred or for which it is or becomes liable arising out of events occurring prior to the Effective Time unless such debts, obligations and liabilities arise as a result of the breach by the First General Partner of the Agreement, or the wilful misconduct or actual fraud of the First General Partner or its Affiliates.

(d) The New General Partner hereby agrees that it shall, upon the request of the First General Partner, enter into all necessary documentation and give all reasonable assistance to the First General Partner to novate any debts, obligations or liabilities, contractual or otherwise, which may be necessary or desirable to enable the New General Partner to assume all such debts, obligations and liabilities of the First General Partner.

3.5 Property of the Partnership

(a) The First General Partner with effect from the Effective Time transfers all its right, title and interest in all and any assets, rights or property which it holds upon trust for and on behalf of the Partnership in its capacity as a general partner to the New General Partner to hold on trust on behalf of the Partnership as the substitute general partner.

(b) The parties hereto acknowledge that, as a matter of Cayman Islands law, all Partnership property shall vest without the requirement for further actions or formalities in the New General Partner (together with the Second General Partner). To the extent that any part of the Partnership property is not immediately capable of transfer in any jurisdiction outside the Cayman Islands, the First General Partner shall use reasonable endeavours to transfer the Partnership property to the New General Partner as soon as practicable with effect from the Effective Time.

(c) With effect from the Effective Time and pending the formal transfer of any Partnership property not immediately capable of transfer by this Deed, the First General Partner shall immediately stand possessed of the right, title and interest in all and any Partnership property for the New General Partner so that the Partnership property shall continue to be held upon the trusts by the New General Partner, as a general partner, alongside the Second General Partner, under the Agreement.

(d) The First General Partner shall execute and deliver upon demand such further deeds, agreements or instruments to transfer the title to and property in the Partnership property into the name of the New General Partner (and the Second General Partner) and do all such other things as may be requested by the New General Partner (or the Second General Partner) to give effect to the transfer of the Partnership property.

(e) The First General Partner shall deliver to the New General Partner all books, records, documents, and instruments relating to the conduct of the business of the Partnership.

3.6 Costs

The First General Partner or its Affiliates shall pay all the costs and expenses, including any stamp duties payable in respect of this Deed, arising out of the substitution of the general partner pursuant to the terms of this Deed.

4 Severability

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

5 Agreement

Save as amended by this Deed, the Agreement shall continue in full force and effect, and is otherwise unamended.

6 Law and Jurisdiction

6.1 This Deed and any dispute, claim, suit, action or proceeding of whatever nature arising out of or in any way related to it or its formation (including any non-contractual disputes or claims) are governed by, and shall be construed in accordance with, the laws of the Cayman Islands.

6.2 Each of the parties to this Deed irrevocably agrees that the courts of the Cayman Islands shall have non-exclusive jurisdiction to hear and determine any claim, suit, action or proceeding, and to settle any disputes, which may arise out of or are in any way related to or in connection with this Deed, and, for such purposes, irrevocably submits to the non-exclusive jurisdiction of such courts.

7 Effective Time

This Deed shall be effective, and the provisions hereof shall become operative, upon the effectiveness of the Conversion (the " Effective Time ").

[*Remainder of page intentionally blank — signature page follows*]

In witness whereof this Deed has been duly executed and delivered by the undersigned on the date first set out above.

EXECUTED as a DEED by	)	
KKR Group Holdings L.P. , as general partner By: KKR Group Limited, its general partner	)	
By:	)	
	)	/s/ William J. Janetschek
	)	Name: William J. Janetschek Title: Director
in the presence of:	)	/s/ Rosa Durso
	)	Name: Rosa Durso
EXECUTED as a DEED by	)	
KKR Fund Holdings GP Limited , as general partner	)	
By:	)	/s/ William J. Janetschek
	)	Name: William J. Janetschek
	)	Title: Director
in the presence of:	)	/s/ Rosa Durso
	)	Name: Rosa Durso

[Signature Page to Deed of Amendment to Amended and Restated LPA of KKR International Holdings L.P.]

EXECUTED as a DEED by	)	
KKR Intermediate Partnership L.P. , as limited partner	)	
By: KKR Intermediate Partnership GP Limited, as general partner	)	/s/ David J. Sorkin
By:	)	Name: David J. Sorkin Title: Authorized Person
in the presence of:	)	/s/ Rosa Durso
		Name: Rosa Durso
-AND-	)	
KKR & Co. L.L.C., as general partner	)	
	)	/s/ David J. Sorkin
By:	)	Name: David J. Sorkin
	)	Title: Authorized Person
in the presence of:	)	/s/ Rosa Durso
	)	Name: Rosa Durso
EXECUTED as a DEED by	)	
KKR Group Holdings Corp ., as new general partner	)	
	)	/s/ William J. Janetschek
By:	)	Name: William J. Janetschek
	)	Title: Chief Financial Officer
in the presence of:	)	/s/ Rosa Durso
	)	Name: Rosa Durso

Exhibit 10.6

Execution Version

INDEMNIFICATION AGREEMENT

This Indemnification Agreement is dated as of May 3, 2018 and effective as of the Effective Time (as defined herein) (this " **Agreement** ") and is by and between KKR Management LLC, a Delaware limited liability company (the " **Indemnitee** "), and KKR & Co. L.P., a Delaware limited partnership (the " **Partnership** "), which will convert to KKR & Co. Inc., a Delaware corporation (the " **Corporation** "), as of the Effective Time. Terms used but not defined herein shall have the meanings assigned to such terms in the Certificate of Incorporation of the Corporation, dated as of May 3, 2018 and effective as of the Effective Time (the " **Certificate of Incorporation** "). For the avoidance of doubt, the rights and obligations of the Partnership under this Agreement shall be the rights and obligations of the Corporation at the Effective Time.

WITNESSETH

WHEREAS, as of the Effective Time, which is currently anticipated to occur at 12:01 a.m. (Eastern Time) on July 1, 2018, the Partnership will convert to the Corporation under the laws of the State of Delaware, resulting in certain changes to its governance structure (the " **Conversion** ");

WHEREAS, prior to the Conversion, the Indemnitee has conducted, directed and managed all activities of the Partnership as the general partner of the Partnership and has been furnished rights to indemnification and advancement of expenses by the Partnership in such capacity;

WHEREAS, upon the effectiveness of the Conversion, the Indemnitee will become the Class B Stockholder of the Corporation and, in such capacity, will have the power to take and/or authorize the taking of certain actions with respect to the business and affairs of the Corporation;

WHEREAS, the Corporation will continue to derive benefits from the involvement of the Indemnitee's members and officers in the business and affairs of the Corporation; and

WHEREAS, in order to replicate as closely as possible the rights to indemnification and advancement of expenses that the Indemnitee had in its capacity as general partner of the Partnership immediately prior to the Conversion, and for other good and valuable consideration, the Partnership desires to provide the Indemnitee with adequate protection against the risks of claims and actions against it arising out of its actions with respect to the Corporation through rights to indemnification and advancement of expenses.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows.

Section 1. Indemnification .

(a) To the fullest extent permitted by law, but subject to the limitations expressly provided for in this Agreement, the Indemnitee shall be indemnified and held harmless by the Corporation on an after tax basis from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which the Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee (as such term is defined in the Certificate of Incorporation) or by reason of any action alleged to have been taken or omitted in such capacity, whether arising from alleged acts or omissions to act occurring on, before or after the date of this Agreement; *provided* , that, the Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by an arbitral tribunal or a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Agreement, the Indemnitee acted in bad faith or engaged in fraud or willful misconduct. Notwithstanding the preceding sentence, except as otherwise provided in Section 3(e) of this Agreement, the Corporation shall be required to indemnify the Indemnitee in connection with any claim, demand, action, suit or proceeding (or part thereof) commenced by the Indemnitee only if (x) the commencement of such claim, demand, action, suit or proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors or (y) there has been a final and non-appealable judgment entered by an arbitral tribunal or a court of competent jurisdiction determining that such person was entitled to indemnification by the Corporation. The indemnification of the Indemnitee (by reason of its status as an Indemnitee identified in clause (e) of the definition of Indemnitee in the Certificate of Incorporation) shall be secondary to any and all indemnification to which the Indemnitee is entitled from, firstly, the relevant other person, and from, secondly, the relevant Fund (if applicable), and will only be paid to the extent the primary indemnification is not paid and the proviso set forth in the first sentence of this Section 1(a) does not apply; *provided* , that, such other person and such Fund shall not be entitled to contribution or indemnification from or subrogation against the Corporation, unless otherwise mandated by applicable law. If, notwithstanding the foregoing sentence, the Corporation makes an indemnification payment or advances expenses to the Indemnitee entitled to primary indemnification, the Corporation shall be subrogated to the rights of the Indemnitee against the person or persons responsible for the primary indemnification. " **Fund** " means any fund, investment vehicle or account whose investments are managed or advised by the Corporation (if any) or an Affiliate thereof.

(b) The indemnification provided by this Agreement shall be in addition to any other rights to which the Indemnitee may be entitled (i) under the Certificate of Incorporation and any agreement, (ii) under any policy of insurance, (iii) pursuant to any vote of the holders of Outstanding Designated Stock entitled to vote on such matter, (iv) as a matter of law, or (v) in equity or otherwise, in each such case, with respect to actions in the Indemnitee's capacity as an Indemnitee (as such term is defined in the Certificate of Incorporation) and actions in any other capacity, and shall continue as to the Indemnitee if it has ceased to own Class B Common Stock.

Section 2. Advance Payment of Expenses . To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by the Indemnitee in appearing at, participating in or defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Corporation prior to a final and non-appealable determination that the Indemnitee is not entitled to be indemnified upon receipt by the Corporation of an undertaking by or on behalf of the Indemnitee to repay such amount if it ultimately shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Agreement. Notwithstanding the foregoing, the Indemnitee shall qualify for advances upon the execution and delivery to the Corporation of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Corporation. No other form of undertaking shall be required other than the execution of this Agreement.

Section 3. Procedure for Indemnification and Advancement of Expenses; Notification and Defense of Claim .

(a) Promptly after receipt by the Indemnitee of notice of the commencement of any action, suit, claim or proceeding, the Indemnitee shall, if a claim in respect thereof is to be made against the Corporation hereunder, notify the Corporation in writing of the commencement thereof. The failure to promptly notify the Corporation of the commencement of the action, suit, claim or proceeding, or the Indemnitee's request for indemnification, will not relieve the Corporation from any liability that it may have to the Indemnitee hereunder, except to the extent the Corporation is actually prejudiced in its defense of such action, suit, claim or proceeding as a result of such failure. To obtain indemnification or an advancement of expenses under this Agreement, the Indemnitee shall submit to the Corporation a written request therefor, including such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to enable the Corporation to determine whether and to what extent the Indemnitee is entitled to indemnification and advancement of expenses.

(b) With respect to any action, suit, claim or proceeding of which the Corporation is so notified, as provided in this Agreement, the Corporation, if appropriate, shall be entitled to assume and control the defense of such action, suit, claim or proceeding, with counsel reasonably acceptable to the Indemnitee, upon the delivery to the Indemnitee of written notice of its election to do so, and the Indemnitee shall cooperate with the Corporation in such defense as reasonably requested by the Corporation. After delivery of such notice (but subject to such approval of counsel by the Indemnitee and the retention of such counsel by the Corporation), the Corporation will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same action, suit, claim or proceeding; *provided* , that, (1) the Indemnitee shall have the right to employ the Indemnitee's own counsel in such action, suit, claim or proceeding at the Indemnitee's expense and (2) if (i) the employment of counsel by the Indemnitee at the Corporation's expense has been previously authorized in writing by the Corporation, or (ii) counsel to the Indemnitee shall have reasonably concluded (evidenced by written notice to the Corporation setting forth the basis for and explanation of such conclusion) that there likely exists a conflict of interest or position, or reasonably believes that such a conflict is likely to arise, on any significant issue between the Corporation and the Indemnitee in the conduct of any such defense, then the fees and expenses of the Indemnitee's separate counsel shall be at the expense of the Corporation, except as otherwise expressly provided by Section 1 of this Agreement, and the Corporation shall not control the defense of such action, suit, claim or proceeding to the extent of such conflict of interest. The Corporation shall not be entitled, without the written consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall in accordance with clause (2)(ii) of the proviso in the immediately preceding sentence have delivered requisite notice regarding the conclusion referred to in such clause.

(c) To the fullest extent permitted by law and subject to the other provisions of this Agreement, the Corporation's assumption of the defense of an action, suit, claim or proceeding in accordance with Section 3(b) will constitute an irrevocable acknowledgement by the Corporation that any loss and liability suffered by the Indemnitee and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement by or for the account of the Indemnitee actually and reasonably incurred in connection therewith are indemnifiable by the Corporation under Section 1 of this Agreement (including, to the fullest extent permitted by law, that the Indemnitee has met all applicable standards of conduct).

(d) The determination whether to grant the Indemnitee's request shall be made promptly and in any event within 30 days following the Corporation's receipt of a request for indemnification in accordance with Section 3(a). If the Corporation determines that the Indemnitee is entitled to such indemnification or the Corporation has acknowledged such entitlement, the Corporation shall make payment to the Indemnitee of the indemnifiable amount within such 30 day period. If the Corporation has not so acknowledged such entitlement or the Corporation's determination of whether to grant the Indemnitee's indemnification request has not been made within such 30 day period, the requisite determination of entitlement to indemnification shall nonetheless be deemed to have been made and the Indemnitee shall be entitled to such indemnification, subject to Section 5, absent (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under law.

(e) In the event that (i) the Corporation determines in accordance with this Section 3 that the Indemnitee is not entitled to indemnification under this Agreement, (ii) the Corporation denies a request for indemnification, in whole or in part, or fails to respond or make a determination of entitlement to indemnification within 30 days following receipt of a request for indemnification as described above, (iii) payment of indemnification is not made within such 30 day period, (iv) a request for advancement of expenses is not paid in full within 30 days after such request was received by the Corporation, or (v) the Corporation or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, the Indemnitee shall be entitled to seek an adjudication by, and the Indemnitee's entitlement to such indemnification or advancement of expenses shall be settled by, a court of competent jurisdiction. Alternatively, the Indemnitee, at the Indemnitee's option, may seek an award in arbitration in accordance with Section 15. The Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing the Indemnitee's right to indemnification or advancement of expenses, in whole or in part, in such arbitration or court shall also be indemnified by the Corporation to the fullest extent permitted by law.

(f) The Indemnitee shall be presumed to be entitled to indemnification and advancement of expenses under this Agreement upon submission of a request therefor in accordance with Section 1 or Section 2 of this Agreement, as applicable, and this Section 3. The Corporation shall have the burden of proof in overcoming such presumption, and such presumption shall be used as a basis for a determination of entitlement to indemnification and advancement of expenses unless the Corporation overcomes such presumption by clear and convincing evidence.

Section 4. Insurance. The Corporation may purchase and maintain insurance on behalf of the Indemnitee against any liability that may be asserted against, or expense that may be incurred by, the Indemnitee in connection with the Corporation's activities or the Indemnitee's activities with respect to the Corporation, regardless of whether the Corporation would have the power to indemnify the Indemnitee against such liability under the provisions of this Agreement.

Section 5. Limitation on Indemnification.

(a) For purposes of this Agreement, (i) the Corporation shall be deemed to have requested the Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Corporation also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; (ii) excise taxes assessed on the Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of this Agreement; and (iii) any action taken or omitted by the Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the Corporation.

(b) Any indemnification pursuant to this Agreement shall be made only out of the assets of the Corporation. None of the stockholders of the Corporation or the members of the Class B Stockholder shall be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Corporation to enable it to effectuate such indemnification. In no event may the Indemnitee subject any stockholder of the Corporation or any member of the Class B Stockholder to personal liability by reason of the rights to indemnification or advancement of expenses set forth in this Agreement.

(c) The provisions of this Agreement are for the benefit of the Indemnitee and its heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other persons.

Section 6. Certain Settlement Provisions. The Corporation shall have no obligation to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any action, suit, claim or proceeding without the Corporation's prior written consent (which may not be unreasonably withheld). The Corporation shall not settle any action, suit, claim or proceeding in any manner that would impose any fine or other monetary obligation on the Indemnitee that is not fully indemnified by the Corporation or any equitable relief on the Indemnitee or includes an admission of wrongdoing by the Indemnitee, in each case without the Indemnitee's prior written consent (which may not be unreasonably withheld). To the extent the Corporation has assumed and controls the defense of any action, suit, claim or proceeding in accordance with this Agreement, the Indemnitee shall permit the Corporation to assume and control the settlement, negotiation or compromise of such action, suit, claim or proceeding, and the Indemnitee shall cooperate with the Corporation as reasonably requested by the Corporation in such settlement, negotiation or compromise. The Indemnitee shall not settle, negotiate or compromise any action, suit, claim or proceeding indemnifiable under this Agreement without the Corporation's prior written consent (which may not be unreasonably withheld).

Section 7. **Savings Clause** . If any provision or provisions (or portion thereof) of this Agreement shall be invalidated on any ground by any arbitral tribunal or court of competent jurisdiction, then the Corporation shall nevertheless indemnify the Indemnitee if the Indemnitee was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit, claim or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative and whether formal or informal, including appeals, by reason of its status as an Indemnitee (as such term is defined in the Certificate of Incorporation), or by reason of any action alleged to have been taken or omitted in such capacity, from and against all loss and liability suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of the Indemnitee in connection with such action, suit, claim or proceeding, including any appeals, to the fullest extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the fullest extent permitted by law.

Section 8. **Contribution** . In order to provide for just and equitable contribution in circumstances in which the indemnification provided for herein is finally settled by an arbitral tribunal or a court of competent jurisdiction to be unavailable to the Indemnitee in whole or in part, it is agreed that, in such event, the Corporation shall, to the fullest extent permitted by law, contribute to the payment of all of the Indemnitee's loss and liability suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of the Indemnitee in connection with any action, suit, claim or proceeding, including any appeals, in an amount that is just and equitable in the circumstances; *provided* , that, without limiting the generality of the foregoing, such contribution shall not be required where such settlement is due to any limitation on indemnification set forth in Section 5 or 6 hereof.

Section 9. **Form and Delivery of Communications** . All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand, mailed by certified or registered mail with postage prepaid, mailed for overnight delivery by reputable overnight courier or sent by email or facsimile transmission, upon receipt when confirmed that such transmission has been received. Notice to the Corporation shall be sent to 9 West 57th Street, New York, New York 10019, Attention: General Counsel, facsimile: 212-750-0003, confirmation telephone number: 212-750-8300 (or at such other address or means of contact that the Corporation shall notify the Indemnitee in writing from time to time). Notice to the Indemnitee shall be sent to 9 West 57th Street, New York, New York 10019, Attention: General Counsel, facsimile: 212-750-0003, confirmation telephone number: 212-750-8300 (or at such other address or means of contact that the Indemnitee shall notify the Corporation in writing from time to time).

Section 10. **Non-exclusivity**. The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, in any court in which a proceeding is brought, other agreements or otherwise, and the Indemnitee's rights hereunder shall inure to the benefit of the heirs, successors, assigns, executors and administrators of the Indemnitee. No amendment or alteration of the Certificate of Incorporation or any agreement shall adversely affect the rights provided to the Indemnitee under this Agreement. Nothing in this Agreement shall be construed to limit the rights to indemnification and advancement of expenses available to the Indemnitee in its capacity as an Indemnitee under the Third Amended and Restated Limited Partnership Agreement of the Partnership, dated as of June 20, 2016.

Section 11. **Interpretation of Agreement**. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent now or hereafter permitted by law.

Section 12. **Entire Agreement**. This Agreement and the documents expressly referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are expressly superseded by this Agreement.

Section 13. **Modification and Waiver**. No supplement, modification, waiver or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No failure or delay by any party in exercising any right, power or privilege hereunder (other than a failure or delay beyond a period of time specified herein) shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 14. **Successor and Assigns**. All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Corporation shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of its business or assets, by written agreement in form and substance reasonably satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place. While the rights and obligations of the Partnership under this Agreement shall automatically become the rights and obligations of the Corporation at the Effective Time, following the Effective Time, the Corporation agrees to re-execute this Agreement in its name upon the request of the Indemnitee.

Section 15. Arbitration .

(a) Any and all disputes regarding the Indemnitee's entitlement to indemnification or advancement of expenses that cannot be settled amicably, including any ancillary claims of any party arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including without limitation the arbitrability of any issue under this Agreement and the validity, scope and enforceability of this arbitration provision) may, at the Indemnitee's option, be finally settled by arbitration conducted by a single arbitrator in New York, New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within 30 days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings. Except as required by law or as may be reasonably required in connection with ancillary judicial proceedings to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm or challenge an arbitration award, the arbitration proceedings, including any hearings, shall be confidential, and the parties shall not disclose any awards, any materials produced in the proceedings created for the purpose of the arbitration, or any documents produced by another party in the proceedings not otherwise in the public domain.

(b) Except with respect to any dispute regarding an Indemnitee's entitlement to indemnification or advancement of expenses or related claims that may be settled in arbitration pursuant to Section 15(a), each party hereby (i) irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to this Agreement (including any claims, suits or actions to interpret, apply or enforce this Section 15 or any judicial proceeding ancillary to an arbitration or contemplated arbitration arising out of or relating to or concerning this Agreement), shall be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, any other court in the State of Delaware with subject matter jurisdiction; (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper; (iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding; (v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such service shall constitute good and sufficient service of process and notice thereof; *provided* , that, nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law; and (vi) irrevocably waives any and all right to trial by jury in any such claim, suit, action or proceeding.

(c) Notwithstanding any provision of this Agreement to the contrary, this Section 15 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the " **Delaware Arbitration Act** "). If, nevertheless, it shall be determined by an arbitral tribunal or court of competent jurisdiction that any provision or wording of this Section 15, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 15. In that case, this Section 15 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 15 shall be construed to omit such invalid or unenforceable provision.

Section 16. Governing Law. This Agreement and any and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of law principles.

Section 17. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument, notwithstanding that both parties are not signatories to the original or same counterpart.

Section 18. Headings. The section and subsection headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 19. Effectiveness. This Agreement shall be effective, and the provisions hereof shall become operative, upon the effectiveness of the Conversion (the "**Effective Time**").

[*Rest of page intentionally left blank*]

This Agreement has been duly executed and delivered to be effective as of the Effective Time.

KKR MANAGEMENT LLC

By: /s/ David J. Sorkin
Name: David J. Sorkin
Title: Secretary

KKR & CO. L.P.

By: KKR Management LLC, its general partner

By: / s/ William J. Janetschek
Name: William J. Janetschek
Title: Chief Financial Officer

Exhibit 10.7

FORM OF

INDEMNIFICATION AGREEMENT

This Indemnification Agreement is dated as of [_____] and effective as of the Effective Time (as defined herein) (this " **Agreement** ") and is by and between [_____] (the " **Indemnitee** ") and KKR & Co. L.P., a Delaware limited partnership (the " **Partnership** "), which will convert to KKR & Co. Inc., a Delaware corporation (the " **Corporation** "), as of the Effective Time. Terms used but not defined herein shall have the meanings assigned to such terms in the Certificate of Incorporation of the Corporation, dated as of May 3, 2018 and effective as of the Effective Time (the " **Certificate of Incorporation** "). For the avoidance of doubt, the rights and obligations of the Partnership under this Agreement shall be the rights and obligations of the Corporation at the Effective Time.

WITNESSETH

WHEREAS, as of the Effective Time, which is currently anticipated to occur at 12:01 a.m. (Eastern Time) on July 1, 2018, the Partnership will convert to the Corporation under the laws of the State of Delaware, resulting in certain changes to its governance structure (the " **Conversion** ");

WHEREAS, in order to, among other things, attract and retain highly competent persons to serve as directors or in other capacities, the Corporation must provide such persons with adequate protection, through rights to indemnification and advancement of expenses, against the risks of claims and actions against them arising out of their services to and activities on behalf of the Corporation;

WHEREAS, the Partnership desires and has requested the Indemnitee to serve as a director of the Corporation and, in order to induce the Indemnitee to serve as a director of the Corporation, effective as of the Effective Time, the Partnership wishes to grant and secure the Indemnitee the rights to indemnification and advancement of expenses provided for herein; and

WHEREAS, the Indemnitee is willing to so serve on the basis that such rights be provided.

NOW, THEREFORE, in consideration of the Indemnitee's agreement to serve as a director of the Corporation and the covenants and agreements set forth below, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows.

Section 1. Indemnification .

(a) To the fullest extent permitted by law (including Section 145 of the General Corporation Law of the State of Delaware), but subject to the limitations expressly provided for in this Agreement, the Indemnitee shall be indemnified and held harmless by the Corporation on an after tax basis from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which the Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee (as such term is defined in the Certificate of Incorporation) or by reason of any action alleged to have been taken or omitted in such capacity, whether arising from alleged acts or omissions to act occurring on, before or after the date of this Agreement; *provided* , that, the Indemnitee shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by an arbitral tribunal or a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Agreement, the Indemnitee acted in bad faith or engaged in fraud or willful misconduct. Notwithstanding the preceding sentence, except as otherwise provided in Section 3(e) of this Agreement, the Corporation shall be required to indemnify the Indemnitee in connection with any claim, demand, action, suit or proceeding (or part thereof) commenced by the Indemnitee only if (x) the commencement of such claim, demand, action, suit or proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors or (y) there has been a final and non-appealable judgment entered by an arbitral tribunal or a court of competent jurisdiction determining that such person was entitled to indemnification by the Corporation. The indemnification of the Indemnitee (by reason of its status as an Indemnitee identified in clause (e) of the definition of Indemnitee in the Certificate of Incorporation) shall be secondary to any and all indemnification to which the Indemnitee is entitled from, firstly, the relevant other person, and from, secondly, the relevant Fund (if applicable), and will only be paid to the extent the primary indemnification is not paid and the proviso set forth in the first sentence of this Section 1(a) does not apply; *provided* , that, such other person and such Fund shall not be entitled to contribution or indemnification from or subrogation against the Corporation, unless otherwise mandated by applicable law. If, notwithstanding the foregoing sentence, the Corporation makes an indemnification payment or advances expenses to the Indemnitee entitled to primary indemnification, the Corporation shall be subrogated to the rights of the Indemnitee against the person or persons responsible for the primary indemnification. " **Fund** " means any fund, investment vehicle or account whose investments are managed or advised by the Corporation (if any) or an Affiliate thereof.

(b) The indemnification provided by this Agreement shall be in addition to any other rights to which the Indemnitee may be entitled (i) under the Certificate of Incorporation and any agreement, (ii) under any policy of insurance, (iii) pursuant to any vote of the holders of Outstanding Designated Stock entitled to vote on such matter, (iv) as a matter of law, or (v) in equity or otherwise, in each such case, with respect to actions in the Indemnitee's capacity as an Indemnitee (as such term is defined in the Certificate of Incorporation) and actions in any other capacity, and shall continue as to the Indemnitee if he or she has ceased to serve in such capacity.

Section 2. Advance Payment of Expenses . To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by the Indemnitee in appearing at, participating in or defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Corporation prior to a final and non-appealable determination that the Indemnitee is not entitled to be indemnified upon receipt by the Corporation of an undertaking by or on behalf of the Indemnitee to repay such amount if it ultimately shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Agreement. Notwithstanding the foregoing, the Indemnitee shall qualify for advances upon the execution and delivery to the Corporation of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Corporation. No other form of undertaking shall be required other than the execution of this Agreement.

Section 3. Procedure for Indemnification and Advancement of Expenses; Notification and Defense of Claim .

(a) Promptly after receipt by the Indemnitee of notice of the commencement of any action, suit, claim or proceeding, the Indemnitee shall, if a claim in respect thereof is to be made against the Corporation hereunder, notify the Corporation in writing of the commencement thereof. The failure to promptly notify the Corporation of the commencement of the action, suit, claim or proceeding, or the Indemnitee's request for indemnification, will not relieve the Corporation from any liability that it may have to the Indemnitee hereunder, except to the extent the Corporation is actually prejudiced in its defense of such action, suit, claim or proceeding as a result of such failure. To obtain indemnification or an advancement of expenses under this Agreement, the Indemnitee shall submit to the Corporation a written request therefor, including such documentation and information as is reasonably available to the Indemnitee and is reasonably necessary to enable the Corporation to determine whether and to what extent the Indemnitee is entitled to indemnification and advancement of expenses.

(b) With respect to any action, suit, claim or proceeding of which the Corporation is so notified, as provided in this Agreement, the Corporation, if appropriate, shall be entitled to assume and control the defense of such action, suit, claim or proceeding, with counsel reasonably acceptable to the Indemnitee, upon the delivery to the Indemnitee of written notice of its election to do so, and the Indemnitee shall cooperate with the Corporation in such defense as reasonably requested by the Corporation. After delivery of such notice (but subject to such approval of counsel by the Indemnitee and the retention of such counsel by the Corporation), the Corporation will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same action, suit, claim or proceeding; *provided* , that, (1) the Indemnitee shall have the right to employ the Indemnitee's own counsel in such action, suit, claim or proceeding at the Indemnitee's expense and (2) if (i) the employment of counsel by the Indemnitee at the Corporation's expense has been previously authorized in writing by the Corporation, or (ii) counsel to the Indemnitee shall have reasonably concluded (evidenced by written notice to the Corporation setting forth the basis for and explanation of such conclusion) that there likely exists a conflict of interest or position, or reasonably believes that such a conflict is likely to arise, on any significant issue between the Corporation and the Indemnitee in the conduct of any such defense, then the fees and expenses of the Indemnitee's separate counsel shall be at the expense of the Corporation, except as otherwise expressly provided by Section 1 of this Agreement, and the Corporation shall not control the defense of such action, suit, claim or proceeding to the extent of such conflict of interest. The Corporation shall not be entitled, without the written consent of the Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for the Indemnitee shall in accordance with clause (2)(ii) of the proviso in the immediately preceding sentence have delivered requisite notice regarding the conclusion referred to in such clause.

(c) To the fullest extent permitted by law and subject to the other provisions of this Agreement, the Corporation's assumption of the defense of an action, suit, claim or proceeding in accordance with Section 3(b) will constitute an irrevocable acknowledgement by the Corporation that any loss and liability suffered by the Indemnitee and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement by or for the account of the Indemnitee actually and reasonably incurred in connection therewith are indemnifiable by the Corporation under Section 1 of this Agreement (including, to the fullest extent permitted by law, that the Indemnitee has met all applicable standards of conduct).

(d) The determination whether to grant the Indemnitee's request shall be made promptly and in any event within 30 days following the Corporation's receipt of a request for indemnification in accordance with Section 3(a). If the Corporation determines that the Indemnitee is entitled to such indemnification or the Corporation has acknowledged such entitlement, the Corporation shall make payment to the Indemnitee of the indemnifiable amount within such 30 day period. If the Corporation has not so acknowledged such entitlement or the Corporation's determination of whether to grant the Indemnitee's indemnification request has not been made within such 30 day period, the requisite determination of entitlement to indemnification shall nonetheless be deemed to have been made and the Indemnitee shall be entitled to such indemnification, subject to Section 5, absent (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under law.

(e) In the event that (i) the Corporation determines in accordance with this Section 3 that the Indemnitee is not entitled to indemnification under this Agreement, (ii) the Corporation denies a request for indemnification, in whole or in part, or fails to respond or make a determination of entitlement to indemnification within 30 days following receipt of a request for indemnification as described above, (iii) payment of indemnification is not made within such 30 day period, (iv) a request for advancement of expenses is not paid in full within 30 days after such request was received by the Corporation, or (v) the Corporation or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, the Indemnitee shall be entitled to seek an adjudication by, and the Indemnitee's entitlement to such indemnification or advancement of expenses shall be settled by, a court of competent jurisdiction. Alternatively, the Indemnitee, at the Indemnitee's option, may seek an award in arbitration in accordance with Section 15. The Indemnitee's expenses (including attorneys' fees) incurred in connection with successfully establishing the Indemnitee's right to indemnification or advancement of expenses, in whole or in part, in such arbitration or court shall also be indemnified by the Corporation to the fullest extent permitted by law.

(f) The Indemnitee shall be presumed to be entitled to indemnification and advancement of expenses under this Agreement upon submission of a request therefor in accordance with Section 1 or Section 2 of this Agreement, as applicable, and this Section 3. The Corporation shall have the burden of proof in overcoming such presumption, and such presumption shall be used as a basis for a determination of entitlement to indemnification and advancement of expenses unless the Corporation overcomes such presumption by clear and convincing evidence.

Section 4. Insurance. The Corporation may purchase and maintain insurance on behalf of the Indemnitee against any liability that may be asserted against, or expense that may be incurred by, the Indemnitee in connection with the Corporation's activities or the Indemnitee's activities on behalf of the Corporation, regardless of whether the Corporation would have the power to indemnify the Indemnitee against such liability under the provisions of this Agreement.

Section 5. Limitation on Indemnification.

(a) For purposes of this Agreement, (i) the Corporation shall be deemed to have requested the Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by him or her of his or her duties to the Corporation also imposes duties on, or otherwise involves services by, him or her to the plan or participants or beneficiaries of the plan; (ii) excise taxes assessed on the Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of this Agreement; and (iii) any action taken or omitted by the Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by him or her to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the Corporation.

(b) Any indemnification pursuant to this Agreement shall be made only out of the assets of the Corporation. None of the stockholders of the Corporation or the members of the Class B Stockholder shall be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Corporation to enable it to effectuate such indemnification. In no event may the Indemnitee subject any stockholder of the Corporation or any member of the Class B Stockholder to personal liability by reason of the rights to indemnification or advancement of expenses set forth in this Agreement.

(c) The provisions of this Agreement are for the benefit of the Indemnitee and his or her heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other persons.

Section 6. Certain Settlement Provisions. The Corporation shall have no obligation to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any action, suit, claim or proceeding without the Corporation's prior written consent (which may not be unreasonably withheld). The Corporation shall not settle any action, suit, claim or proceeding in any manner that would impose any fine or other monetary obligation on the Indemnitee that is not fully indemnified by the Corporation or any equitable relief on the Indemnitee or includes an admission of wrongdoing by the Indemnitee, in each case without the Indemnitee's prior written consent (which may not be unreasonably withheld). To the extent the Corporation has assumed and controls the defense of any action, suit, claim or proceeding in accordance with this Agreement, the Indemnitee shall permit the Corporation to assume and control the settlement, negotiation or compromise of such action, suit, claim or proceeding, and the Indemnitee shall cooperate with the Corporation as reasonably requested by the Corporation in such settlement, negotiation or compromise. The Indemnitee shall not settle, negotiate or compromise any action, suit, claim or proceeding indemnifiable under this Agreement without the Corporation's prior written consent (which may not be unreasonably withheld).

Section 7. Savings Clause. If any provision or provisions (or portion thereof) of this Agreement shall be invalidated on any ground by any arbitral tribunal or court of competent jurisdiction, then the Corporation shall nevertheless indemnify the Indemnitee if the Indemnitee was or is made or is threatened to be made a party or is otherwise involved in any threatened, pending or completed action, suit, claim or proceeding (brought in the right of the Corporation or otherwise), whether civil, criminal, administrative or investigative and whether formal or informal, including appeals, by reason of its status as an Indemnitee (as such term is defined in the Certificate of Incorporation), or by reason of any action alleged to have been taken or omitted in such capacity, from and against all loss and liability suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of the Indemnitee in connection with such action, suit, claim or proceeding, including any appeals, to the fullest extent permitted by any applicable portion of this Agreement that shall not have been invalidated and to the fullest extent permitted by law.

Section 8. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for herein is finally settled by an arbitral tribunal or a court of competent jurisdiction to be unavailable to the Indemnitee in whole or in part, it is agreed that, in such event, the Corporation shall, to the fullest extent permitted by law, contribute to the payment of all of the Indemnitee's loss and liability suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement reasonably incurred by or on behalf of the Indemnitee in connection with any action, suit, claim or proceeding, including any appeals, in an amount that is just and equitable in the circumstances; *provided* , that, without limiting the generality of the foregoing, such contribution shall not be required where such settlement is due to any limitation on indemnification set forth in Section 5 or 6 hereof.

Section 9. Form and Delivery of Communications. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if delivered by hand, mailed by certified or registered mail with postage prepaid, mailed for overnight delivery by reputable overnight courier or sent by email or facsimile transmission, upon receipt when confirmed that such transmission has been received. Notice to the Corporation shall be sent to 9 West 57th Street, New York, New York 10019, Attention: General Counsel, facsimile: 212-750-0003, confirmation telephone number: 212-750-8300 (or at such other address or means of contact that the Corporation shall notify the Indemnitee in writing from time to time). Notice to the Indemnitee shall be sent to [____], email [___] (or at such other address or means of contact that the Indemnitee shall notify the Corporation in writing from time to time).

Section 10. Non-exclusivity. The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, in any court in which a proceeding is brought, other agreements or otherwise, and the Indemnitee's rights hereunder shall inure to the benefit of the heirs, successors, assigns, executors and administrators of the Indemnitee. No amendment or alteration of the Certificate of Incorporation or any agreement shall adversely affect the rights provided to the Indemnitee under this Agreement. Nothing in this Agreement shall be construed to limit the rights to indemnification and advancement of expenses available to the Indemnitee in his or her capacity as an Indemnitee under the Third Amended and Restated Limited Partnership Agreement of the Partnership, dated as of June 20, 2016.

Section 11. Interpretation of Agreement. It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification to the Indemnitee to the fullest extent now or hereafter permitted by law.

Section 12. Entire Agreement. This Agreement and the documents expressly referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are expressly superseded by this Agreement.

Section 13. Modification and Waiver. No supplement, modification, waiver or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No failure or delay by any party in exercising any right, power or privilege hereunder (other than a failure or delay beyond a period of time specified herein) shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 14. Successor and Assigns. All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Corporation shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of its business or assets, by written agreement in form and substance reasonably satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place. While the rights and obligations of the Partnership under this Agreement shall automatically become the rights and obligations of the Corporation at the Effective Time, following the Effective Time, the Corporation agrees to re-execute this Agreement in its name upon the request of the Indemnitee.

Section 15. Arbitration.

(a) Any and all disputes regarding the Indemnitee's entitlement to indemnification or advancement of expenses that cannot be settled amicably, including any ancillary claims of any party arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including without limitation the arbitrability of any issue under this Agreement and the validity, scope and enforceability of this arbitration provision) may, at the Indemnitee's option, be finally settled by arbitration conducted by a single arbitrator in New York, New York in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the dispute fail to agree on the selection of an arbitrator within 30 days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings. Except as required by law or as may be reasonably required in connection with ancillary judicial proceedings to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm or challenge an arbitration award, the arbitration proceedings, including any hearings, shall be confidential, and the parties shall not disclose any awards, any materials produced in the proceedings created for the purpose of the arbitration, or any documents produced by another party in the proceedings not otherwise in the public domain.

(b) Except with respect to any dispute regarding an Indemnitee's entitlement to indemnification or advancement of expenses or related claims that may be settled in arbitration pursuant to Section 15(a), each party hereby (i) irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to this Agreement (including any claims, suits or actions to interpret, apply or enforce this Section 15 or any judicial proceeding ancillary to an arbitration or contemplated arbitration arising out of or relating to or concerning this Agreement), shall be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, any other court in the State of Delaware with subject matter jurisdiction; (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding; (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper; (iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding; (v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such service shall constitute good and sufficient service of process and notice thereof; *provided* , that, nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law; and (vi) irrevocably waives any and all right to trial by jury in any such claim, suit, action or proceeding.

(c) Notwithstanding any provision of this Agreement to the contrary, this Section 15 shall be construed to the maximum extent possible to comply with the laws of the State of Delaware, including the Delaware Uniform Arbitration Act (10 Del. C. § 5701 et seq.) (the " **Delaware Arbitration Act** "). If, nevertheless, it shall be determined by an arbitral tribunal or court of competent jurisdiction that any provision or wording of this Section 15, including any rules of the International Chamber of Commerce, shall be invalid or unenforceable under the Delaware Arbitration Act, or other applicable law, such invalidity shall not invalidate all of this Section 15. In that case, this Section 15 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of the Delaware Arbitration Act or other applicable law, and, in the event such term or provision cannot be so limited, this Section 15 shall be construed to omit such invalid or unenforceable provision.

Section 16. **No Construction as Employment Agreement** . Nothing contained herein shall be construed as giving the Indemnitee any right to be retained as a director of the Corporation or in the employ of the Corporation or its affiliates. For the avoidance of doubt, the indemnification and advancement of expenses provided under this Agreement shall continue as to the Indemnitee even though he or she may have ceased to be a director, officer, employee or agent of the Corporation.

Section 17. **Governing Law** . This Agreement and any and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of law principles.

Section 18. **Counterparts** . This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument, notwithstanding that both parties are not signatories to the original or same counterpart.

Section 19. **Headings** . The section and subsection headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 20. **Effectiveness** . This Agreement shall be effective, and the provisions hereof shall become operative, upon the effectiveness of the Conversion (the " **Effective Time** ").

[*Rest of page intentionally left blank*]

This Agreement has been duly executed and delivered to be effective as of the Effective Time.

INDEMNITEE:

_____

Name:

KKR & CO. L.P.

By: KKR Management LLC, its general partner

By: _____

Name:
Title:

[*Signature Page to Indemnification Agreement*]

Exhibit 31.1

CO-CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Henry R. Kravis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2018 of KKR & Co. L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or 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: May 8, 2018

/s/ Henry R. Kravis

Henry R. Kravis

Co-Chief Executive Officer

Exhibit 31.2

CO-CHIEF EXECUTIVE OFFICER CERTIFICATION

I, George R. Roberts, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2018 of KKR & Co. L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or 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: May 8, 2018

/s/ George R. Roberts

George R. Roberts

Co-Chief Executive Officer

Exhibit 31.3

CHIEF FINANCIAL OFFICER CERTIFICATION

I, William J. Janetschek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2018 of KKR & Co. L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or 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: May 8, 2018

/s/ William J. Janetschek

William J. Janetschek

Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. §1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of KKR & Co. L.P. (the "Partnership") on Form 10-Q for the period ended March 31, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, Henry R. Kravis, Co-Chief Executive Officer of the general partner of the Partnership, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 8, 2018

/s/ Henry R. Kravis

Henry R. Kravis

Co-Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. §1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of KKR & Co. L.P. (the "Partnership") on Form 10-Q for the period ended March 31, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, George R. Roberts, Co-Chief Executive Officer of the general partner of the Partnership, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 8, 2018

/s/ George R. Roberts

George R. Roberts

Co-Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.3

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. §1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of KKR & Co. L.P. (the "Partnership") on Form 10-Q for the period ended March 31, 2018 as filed with the Securities and Exchange Commission (the "Report"), I, William J. Janetschek, Chief Financial Officer of the general partner of the Partnership, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: May 8, 2018

/s/ William J. Janetschek

William J. Janetschek

Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.