

To: jeffrey E.[jeevacation@gmail.com]
From: Richard Joslin
Sent: Tue 7/15/2014 7:09:53 PM
Subject: Heritage update

Apparently Apollo has not been able to explain the calculation to Josh's COO/CFO. The Apollo controller is contacting COO to set up meeting. I can call CFO if permitted.

Apollo is sending me calculation detail over last two years.

Heritage adjustment is carry from Fund V and VI that is divvied up between MR/JH and LDB. As a founder sells BRH in taxable exchange, the public APO Corp acquires a slice of Fund V and VI carry vehicle. BRH receives lesser carry in future and as a consequence LDB gets less Heritage adjustment. APO Corp does not pay LDB any Heritage adjustment. The Heritage adjustment/ share changes per Apollo accounting dept- I asked for backup. It would seem that a selling founder (MR) will pay less in future and a non-selling founder (JH) would be unchanged.

Richard Joslin

CFO

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