



Private Wealth Management  
Deutsche Bank

For Discussion Purposes Only - Not a Commitment

DISCUSSION MEMO  
July 25, 2013

To facilitate your internal discussion regarding a potential financing opportunity with us, we have prepared the following summary of our general terms and conditions that we may be able to consider offering to Leon Black. This summary of general terms and conditions is not a commitment by Deutsche Bank AG, New York Branch, Deutsche Bank Trust Company Americas, DB Structured Products Inc, DB Private Clients Corp., or any of their affiliates or subsidiaries (individually and collectively referred to herein as "DB" or the "Bank") to make available the potential credit facility described below, nor is it to be construed as an undertaking on behalf of DB to fund such facility. The below described potential credit facility is subject to, among other things, satisfactory due diligence, credit approval, and the execution and delivery of definitive documentation satisfactory to the Bank and its counsel. This summary of general terms and conditions is intended as an outline of certain material terms of the potential credit facility and does not purport to summarize all the material conditions, covenants, representations, warranties, and other provisions which may be contained in the definitive documentation for the potential credit facility.

<b>Borrower(s)/ Guarantor(s):</b>	Leon Black and any other individuals or entities holding title to any Collateral.
<b>Pledgors:</b>	All individuals or entities holding title to any Collateral, directly or indirectly.
<b>Lender:</b>	Deutsche Bank Trust Company Americas or an affiliate.
<b>Facility Amount:</b>	Up to \$500,000,000
<b>Facility Type:</b>	Term loan (the "Facility")
<b>Maturity Date:</b>	1 year from the closing date of the Facility.
<b>Purpose:</b>	For general commercial and business purposes.
<b>Collateral:</b>	<ol style="list-style-type: none"> <li>1. Perfected first priority security interest in identified pieces of quality fine art acceptable to the Lender in its sole discretion ("Art Collateral"). Art Collateral must be held at Approved Location(s) in the United States, which may include Borrower's residences and other locations to be discussed.</li> <li>2. Perfected first priority security interest in Apollo Operating Group Units and any payments, tax benefit payments or otherwise, related to such units ("AOG Collateral"), including all documentation deemed necessary to ensure 1:1 conversion to Apollo Global Management, LLC ("APO") Class A shares and the sale of such in an Event of Default. The amount of AOG Collateral pledged will be limited to [TBD%] – the percent at which a reportable event would be triggered with the Securities &amp; Exchange Commission.</li> <li>3. Other collateral acceptable at the Lender's sole discretion ("Other Collateral").</li> </ol>
<b>Collateral Value:</b>	<ol style="list-style-type: none"> <li>1. For Art Collateral, up to [40%-50%] of the fair market value as determined by the Lender in its sole discretion and based in part, but not wholly, on two Lender-ordered appraisals from Sotheby's, Christies and/or Gurr Johns. No single piece of Art Collateral shall have a fair market value of less than \$1,000,000. Additionally, the Collateral Value of each specific piece would be limited to no more than 20% of the total Art Collateral</li> </ol>

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	<p>Value and the Collateral Value from any single artist would be limited to 50% of the total Art Collateral Value.</p> <p>2. For AOG Collateral, the lower of</p> <p>a. [25%-35%] of the fair market value of the AOG Collateral with the fair market value being determined as the closing price as of the previous day's close for APO Class A shares (subject to a minimum share price of \$TBD), or</p> <p>b. [70%-100%] of the fair market value of the number of AOG Collateral shares that are convertible &amp; eligible for resale based on Transfer Limitations as defined in the partnership agreements of the Apollo Operating Group.</p> <p>3. Other Collateral shall be assigned a Collateral Value by the Lender in its sole discretion.</p>
<b>Borrowing Base:</b>	The Borrowing Base will be limited to the lesser of the Facility Amount or the aggregate Collateral Value of all Collateral (including the Art Collateral, the AOG Collateral and Other Collateral). Noting, however, that the Art Collateral shall be limited to no more than [70%] of the Borrowing Base and the AOG Collateral shall be limited to no more than [50%] of the Borrowing Base at all times.
<b>Mandatory Payments:</b>	Should outstandings exceed the Borrowing Base, the Borrower would be required to repay sufficient outstandings to bring the Facility into compliance, or, upon approval from the Lender, pledge additional acceptable collateral with sufficient Collateral Value to bring the facility into compliance.
<b>Prepayments:</b>	Permitted with DB's standard breakage costs, as applicable.
<b>Interest Rate:</b>	<p>Three, six, or twelve month LIBOR plus [1.75-2.00%] spread for borrowings of \$1,000,000 or greater; Prime for borrowings less than \$1,000,000. Interest would be payable quarterly for LIBOR loans and monthly for Prime loans. The rate would be determined by the Lender upon receipt of additional financial information and due diligence.</p> <p>As all other general terms and conditions set out in this potential credit facility, the pricing is indicative only. Any binding agreement on pricing would only be set out in definitive financing documentation and would reflect market conditions at the time such documentation was entered into.</p>
<b>Commitment Fee:</b>	A [0.25-0.50%] fee on the Facility Amount in an amount to be determined by the Lender would be payable at closing. All amounts paid would be fully earned at the time of payment.
<b>Representations and Warranties:</b>	Usual and customary for a facility of this size and type.
<b>Conditions Precedent:</b>	<p>Usual and customary for a facility of this size and type, including, but not limited to:</p> <ul style="list-style-type: none"><li>• Delivery of all requested financial information in form and substance acceptable to the Lender.</li><li>• Receipt and satisfactory review of all Art Collateral due diligence, including purchase documentation, appraisals, cataloguing information, proof of insurance, visual inspection and any necessary third party bailment agreements.</li><li>• Receipt of an agreement between fine art lenders and the Borrower detailing art collateral securing indebtedness owed to each lender.</li><li>• Receipt and satisfactory review of all AOG Collateral due diligence, including all documents necessary to confirm 1:1 conversion to APO Class A shares, registration documents, Insider Trading Policies and APO consent.</li></ul>



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	<ul style="list-style-type: none"><li>• Any additional information deemed necessary by Lender to complete its due diligence in form and substance satisfactory to Lender in its sole discretion, including due diligence on the use of proceeds and any entities benefitting from such proceeds.</li><li>• Completion of compliance with the Lender's credit approval process and "Know Your Client" Policy.</li><li>• Satisfactory legal opinions and execution of all loan documents under New York law.</li></ul>
<b>Covenants/ Events of Default</b>	Usual and customary for a facility of this size and type, including, but not limited to: <ul style="list-style-type: none"><li>• Annual receipt of financial statements on Borrower(s), Pledgor(s) and Guarantor(s).</li><li>• Periodic compliance certificates evidencing compliance with all loan terms.</li><li>• Financial covenants including, but not limited to, net worth minimum, maximum debt levels and unencumbered asset minimum. The covenants would be determined upon receipt of financial and collateral information and Lender's completion of due diligence.</li><li>• Art Collateral covenants, including annual re-appraisals, annual viewing, notification prior to change of venue, etc.</li><li>• AOG Collateral covenants, including continuance of a filed shelf registration statement for the exchange of Class A shares issuable upon exchange of AOG units.</li><li>• Periodic notification to Lender regarding status of pledged Art Collateral and AOG Collateral.</li><li>• Notification to Lender following the sale of any art or Apollo asset (AOG units or otherwise) by Borrower or another lender.</li><li>• Subordination of any Borrower or affiliate, including, but not limited to, any Trusts or other wealth holding vehicles, debt, specifically to include any notes payable issued in relation to the purchase of AOG units.</li><li>• Cross default to indebtedness of the Borrower(s)/Pledgor(s)/Guarantor(s).</li></ul>
<b>Expenses and Indemnification:</b>	The Borrower must reimburse DB for its reasonable attorneys' fees and other expenses, including appraisal services whether by an outside firm or DB staff, with respect to a potential Facility, regardless of whether the Facility closes.
<b>Governing Law and Jury Waiver</b>	The loan documents would be governed by and construed in accordance with the laws of the State of New York; the parties must waive trial by jury.
<b>Note:</b>	General terms and conditions reflected herein may change at any time -- without any prior notice by DB.

*DB does not provide accounting, tax or legal advice. These terms constitute confidential and proprietary information of DB and may not be disclosed to any person (other than your advisors who will assist you in deciding whether or not to enter into the potential transaction) without the prior written consent of DB.*