

**ARES MANAGEMENT, L.P.**  
**ARES MANAGEMENT GP LLC**

**Audit Committee Charter**

**I. Purpose**

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Ares Management GP LLC (the “General Partner”), the general partner of Ares Management, L.P. (the “Company”), is to assist the Board in its oversight of: (1) the integrity of the Company’s financial statements; (2) the Company’s compliance with legal and regulatory requirements; (3) the qualifications and independence of any independent registered public accounting firm engaged by the Company; and (4) the performance of the Company’s internal audit function and any independent registered public accounting firm. In particular, the Committee shall:

- serve as an independent party to monitor the Company’s financial reporting processes and internal control system;
- discuss the audit conducted by the Company’s independent registered public accounting firm; and
- provide an open avenue of communication among the independent registered public accounting firm, management and the Board.

While the Committee has the responsibilities and powers set forth in this charter of the Committee (this “Charter”), it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate, fairly present the information shown or are in accordance with generally accepted accounting principles (“GAAP”) and applicable rules and regulations. These are the responsibilities of management and the independent registered public accounting firm. Nor is it the duty of the Committee to conduct investigations or to assure compliance with any law, regulation or rule of the New York Stock Exchange (the “NYSE”), or the Company’s Corporate Governance Guidelines or Code of Business Conduct and Ethics. Instead, the Committee shall oversee the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements.

Each member of the Committee shall be entitled to rely on: (1) the integrity of those persons within and outside the Company and management from which it receives information; (2) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary; and (3) statements made by management or other third parties as to any information technology, internal audit and other non-audit services provided by the Company’s independent registered public accounting firm.

## **II. Membership**

The Committee shall consist of no fewer than three directors. Except as may otherwise be permitted by the rules of the NYSE and the Securities and Exchange Commission (the “SEC”), each member of the Committee shall, in the determination of the Board be (1) an “Independent Director” that (a) satisfies the independence and other requirements established by the NYSE, and (b) meets the independence requirements of Section 10A of the Securities Exchange Act of 1934 (the “Exchange Act”) and SEC Rules 10A-3(b)(1) under the Exchange Act and (2) financially literate, as determined by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. In addition, the Committee shall at all times include at least one member who has accounting or related financial management expertise, as the Board interprets such qualification in its business judgment and at least one member who is, in the judgment of the Board, an “audit committee financial expert” as defined in Item 407(d)(5)(ii) of SEC Regulation S-K. If a Committee member simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair such member’s ability to effectively serve on the Committee and the Company must disclose such determination in its annual Form 10-K.

The members of the Committee shall be appointed by the Board to serve in accordance with the Limited Liability Company Agreement of the General Partner, as it may be amended from time to time, and at the discretion of the Board and may be removed or replaced by the Board at any time. The chairperson of the Committee shall be elected by the full Board.

## **III. Meetings; Rules of Procedure**

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. Special meetings may be convened as the Committee deems necessary or appropriate. The Committee may ask members of management or others to attend a meeting of the Committee (or to meet with any member of, or advisors to, the Committee) and provide pertinent information as necessary or desirable. The Committee may adopt such procedures as it deems appropriate and necessary to carry out the duties and responsibilities of the Committee. The Committee shall report regularly to the Board, not less frequently than quarterly. Notice of Committee meetings shall be given in the same manner as notice for special meetings of the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The act of a majority of the Committee members present at a meeting shall be the act of the Committee.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of: (1) compensation to any independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (2) compensation to any advisers (including independent counsel and compensation consultants) employed by the Committee; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

## **IV. Responsibilities and Duties**

### **A. Accounting and Financial Oversight**

1. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any independent registered public accounting firm engaged by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such independent registered public accounting firm shall report directly to the Committee.

2. The Committee shall, at least annually, obtain and review a report from the Company's independent registered public accounting firm describing (1) the firm's internal quality-control procedures, (2) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (3) all relationships between the independent registered public accounting firm and the Company, including as required by the requirements of Public Company Accounting Oversight Board Rule 3526 (as may be amended or superseded from time to time).

3. The Committee shall, at least annually, review and evaluate the qualifications, performance and independence of the lead partner of the Company's independent registered public accounting firm, ensure that neither the lead partner nor the concurring partner of the Company's independent registered public accounting firm serves, respectively, in that capacity for more than five years (or such other period as may be prescribed by rules and/or regulations of the NYSE, the SEC, the Financial Accounting Standards Board or other similar governing bodies) and present its conclusions with respect to the independent auditors, including with respect to each of the matters set forth in Section 2 above, and whether the audit firm itself should be changed periodically, to the Board.

4. The Committee shall assist the Board in fulfilling its oversight responsibilities related to the Company's systems of internal controls and disclosure controls and procedures and shall review the Company's annual report on the internal control over financial reporting and the independent registered public accounting firm's attestation required by Item 308 of SEC Regulation S-K.

5. The Committee shall review the Company's annual audited and quarterly unaudited financial statements, including any certification, report or opinion rendered by the Company's independent registered public accounting firm, and discuss the same (including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operation" and the other matters required to be disclosed by, or otherwise described in, Statement on Auditing Standards No. 114) with management and the Company's independent registered public accounting firm.

6. The Committee shall recommend to the Board whether the annual financial statements should be included in the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as applicable.
7. The Committee shall review and discuss with management a draft of each earnings press release before it is released, as well as corporate practices with respect to (1) earnings press releases and (2) financial information and earnings guidance, if any, provided to analysts and ratings agencies.
8. The Committee shall review with the independent registered public accounting firm any audit problems or difficulties and management's response, including any difficulties the auditor encountered in the course of the audit work, any restrictions on the scope of the auditor's activities or on access to requested information and any significant disagreements with management. In addition, if applicable, such review may also include any accounting adjustments that were noted or proposed by such auditors but were "passed" (including similar adjustments that were passed because individually they were not material), any communications between the independent registered public accounting firm and its national office respecting auditing or accounting issues presented by the engagement, any "management" or "internal control" letter issued, or proposed to be issued, by such auditors to the Company and all other material written communications between the independent registered public accounting firm and the Company's management.
9. The Committee, with input from management, shall discuss and review guidelines and policies with respect to risk assessment and risk management, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
10. The Committee shall meet separately, periodically, with management, the Company's internal auditors (or other personnel responsible for the internal audit function) and the Company's independent registered public accounting firm.
11. The Committee shall set clear hiring policies for employees or former employees of the Company's independent registered public accounting firm.
12. The Committee shall review and discuss, including with the Company's independent registered public accounting firm: (1) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, and any special audit steps adopted in light of material control deficiencies; (2) analyses prepared by management and/or the Company's independent registered public accounting firm setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (3) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements;

and (4) the type and presentation of information to be included in earnings press releases (paying particular attention to any use of “pro forma” or “adjusted non-GAAP information”), as well as any financial information and earnings guidance provided to analysts and ratings agencies.

13. To the extent required by the SEC, the Committee shall prepare, or cause to be prepared, the disclosure required by Item 407(d)(3)(i) of SEC Regulation S-K, to be included in the Company’s annual proxy statement.

14. The Committee shall establish, review and reassess periodically procedures for (1) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (2) the confidential, anonymous submission by employees of the Company, or employees of the General Partner or its affiliates, of concerns regarding questionable accounting or auditing matters.

15. The Committee shall report regularly to the Board on its activities, as appropriate. In connection therewith, the Committee shall review with the full Board any issues that arise with respect to the quality or integrity of the Company’s financial statements, the Company’s compliance with legal or regulatory requirements, the performance and independence of the Company’s independent auditors or the performance of the internal audit function.

#### B. Other Rights and Responsibilities

1. To the extent permitted under applicable laws, regulations and NYSE rules, the Committee may form and delegate authority to sub-committees or to any other independent director or committee comprised entirely of independent directors, in each case, to the extent the Committee deems necessary or appropriate. The Committee may consult with or obtain input from management, but, except as expressly provided herein, shall not delegate any of its responsibilities to management.

2. Other than as prohibited by NYSE rules and regulations, the Committee may designate any member of the Committee to execute documents on its behalf as the Committee deems necessary or appropriate to carry out its responsibilities hereunder.

3. The Committee shall have the authority to engage independent counsel, accounting, compensation consultants and other advisors, as the Committee determines necessary or appropriate to carry out its duties and responsibilities. The Committee shall have the sole authority to approve all fees and terms of engagement of such advisors. To the extent such advisors are engaged to assist the Committee with carrying out its duties and responsibilities related to compensation to be paid by the Company, the Committee will consider all factors relevant to such advisor’s independence from management, including the factors required at such time by the NYSE and applicable laws and regulations. The Committee shall have the power to conduct or authorize investigations into any matter within the Committee’s scope of responsibilities.

4. The Committee shall review for approval or ratification all transactions with related persons (as defined in Item 404 of Regulation S-K of the SEC) that are brought to the Committee's attention.

C. Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

**V. General**

The Committee may diverge from the specific activities outlined throughout this Charter, as appropriate, if circumstances or regulatory requirements change. In addition to these activities, the Committee may perform such other functions as necessary or appropriate under applicable laws, regulations, NYSE rules, the Company's and the General Partner's organizational documents and the resolutions and other directives of the Board, each as in effect from time to time. This Charter may be amended from time to time by the Board. This Charter shall be made available on the Company's website at [www.aresmgmt.com](http://www.aresmgmt.com) and to any unitholder who otherwise requests a copy.