

Ackerman Patricia K
 Form 4
 February 14, 2012

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Ackerman Patricia K

(Last) (First) (Middle)

A. O. SMITH
 CORPORATION, 11270 WEST
 PARK PLACE

(Street)

MILWAUKEE, WI 53224

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 SMITH A O CORP [AOS]

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/13/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 VP, Investor Relations & Treas

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction of Derivative	5. Number	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8.
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Options (Right to Buy)	\$ 45.97	02/13/2012	A		1,600		<u>(1)</u>	02/13/2022	Common Stock	1,600
Restricted Stock Units	\$ 45.97	02/13/2012	A		600		<u>(2)</u>	<u>(2)</u>	Common Stock	600

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Ackerman Patricia K A. O. SMITH CORPORATION 11270 WEST PARK PLACE MILWAUKEE, WI 53224			VP, Investor Relations & Treas	

Signatures

James F. Stern, Attorney-in-Fact for Patricia K. Ackerman
 Date: 02/14/2012

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The employee stock options were granted on 02/13/2012 under the A. O. Smith Combined Incentive Compensation Plan, a transaction exempt under Rule 16b-3. The options become exercisable in three annual installments of 1/3 of the award starting on 02/13/2013.
- The restricted stock units were granted on 02/13/2012 under the A. O. Smith Combined Incentive Compensation Plan, a transaction
- (2) exempt under Rule 16b-3. The restricted stock units become payable in Common Stock on the vesting date of 02/13/2015. The Plan permits the participant to defer receipt of the awards, and Patricia Ackerman has made a deferral.

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68,780

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KFN Issued Junior Subordinated Notes ⁽¹⁰⁾

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232,142

203,135

—

236,038

201,828

Other Debt Obligations:

Financing Facilities of Consolidated Funds and Other ⁽¹¹⁾

3,840,877

5,123,768

Explanation of Responses:

5,123,768

2,056,096

2,898,215

2,898,215

CLO Senior Secured Notes ⁽¹²⁾

—

11,667,970

11,667,970

—

10,055,686

10,055,686

CLO Subordinated Notes ⁽¹²⁾

—

413,801

413,801

—

292,294

292,294

CMBS Debt Obligations ⁽¹³⁾

Explanation of Responses:

—

1,876,783

1,876,783

—

5,238,236

5,238,236

\$
6,042,215

\$
22,341,192

\$
22,339,640

\$
4,293,752

\$
21,193,859

\$
21,427,594

\$500 million aggregate principal amount of 6.375% senior notes of KKR due 2020. Borrowing outstanding is (1) presented net of (i) unamortized note discount and (ii) unamortized debt issuance costs of \$0.7 million and \$1.0 million as of December 31, 2018 and 2017, respectively.

\$500 million aggregate principal amount of 5.500% senior notes of KKR due 2043. Borrowing outstanding is (2) presented net of (i) unamortized note discount and (ii) unamortized debt issuance costs of \$3.6 million and \$3.7 million as of December 31, 2018 and 2017, respectively.

(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 \$8.0

million and \$8.3 million as of December 31, 2018 and 2017, respectively.

¥25 billion (or \$228.2 million) aggregate principal amount of 0.509% senior notes of KKR due 2023.

- (4) Borrowing outstanding is presented net of unamortized debt issuance costs of \$1.3 million as of December 31, 2018. These senior notes are denominated in Japanese Yen ("JPY").

- ¥5.0 billion (or \$45.6 million) aggregate principal amount of 0.764% senior notes of KKR due 2025. Borrowing (5) outstanding is presented net of unamortized debt issuance costs of \$0.7 million as of December 31, 2018. These senior notes are denominated in JPY.

- ¥10.3 billion (or \$94.0 million) aggregate principal amount of 1.595% senior notes of KKR due 2038. Borrowing (6) outstanding is presented net of unamortized debt issuance costs of \$1.2 million as of December 31, 2018. These senior notes are denominated in JPY.

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Notes to Consolidated Financial Statements (Continued)

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) (7) unamortized debt issuance costs of \$4.4 million and \$4.7 million as of December 31, 2018 and 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.

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 \$1.7 million (8) as of December 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.

KKR consolidates KFN and thus reports KFN's outstanding \$70.0 million aggregate principal amount of 5.400% senior notes due 2033. Borrowing outstanding is presented net of unamortized debt issuance costs of \$1.3 million (9) as of December 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.

KKR consolidates KFN and thus reports KFN's outstanding \$258.5 million aggregate principal amount of junior subordinated notes. The weighted average interest rate is 5.0% and 3.8% and the weighted average years to (10) maturity is 17.8 years and 19.0 years as of December 31, 2018 and 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.

Amounts include (i) borrowings at consolidated investment funds relating to financing arrangements with major financial institutions, generally to enable such investment funds to make investments prior to or without receiving (11) capital from fund limited partners and (ii) borrowings by certain majority-owned investment vehicles that are collateralized only by the investments and assets they own. The weighted average interest rate is 4.6% and 4.2% as of December 31, 2018 and 2017, respectively. In addition, the weighted average years to maturity is 3.3 years and 3.6 years as of December 31, 2018 and 2017, respectively.

(12) 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."

(13) 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."

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

Revolving Credit Facilities

Corporate Credit Agreement

On December 7, 2018, Kohlberg Kravis Roberts & Co. L.P. and the KKR Group Partnerships, as borrowers, entered into and closed on an Amended and Restated Credit Agreement (the "Corporate Credit Agreement") by and among the borrowers, the other borrowers from time to time party thereto, the guarantors from time to time party thereto, the lending institutions from time to time party thereto and HSBC Bank USA, National Association, as Administrative Agent, which amended and restated in its entirety the credit agreement dated as of October 22, 2014.

The Corporate Credit Agreement provides the borrowers with a senior unsecured multicurrency revolving credit facility in an aggregate principal amount of \$1.0 billion, as of the closing date, with the option to request an increase in the facility amount of up to an additional \$500 million, for an aggregate principal amount of \$1.5 billion, subject to certain conditions, including obtaining new or increased commitments from new or existing lenders. The credit facility is a five-year facility, scheduled to mature on December 7, 2023, with the borrowers' option to extend the maturity date, subject to the consent of the applicable lenders, and the borrowers may prepay, terminate or reduce the commitments under the credit facility at any time without penalty. Borrowings under the credit facility are available for general corporate purposes. Interest on borrowings under the credit facility will be based on either London

Interbank Offered Rate (LIBOR) or Alternate Base Rate, with the applicable margin per annum based on a corporate ratings-based pricing grid ranging from 56.5 basis points to 110 basis points (for LIBOR borrowings). The borrowers have agreed to pay a facility fee on the total commitments (whether used or unused) at a rate per annum also based on a corporate ratings-based pricing grid ranging from 6 basis points to 15 basis points. Borrowings under the credit facility are guaranteed by (i) KKR & Co. Inc., (ii) any other entity (other than the borrowers) that guarantees the 2020 Senior Notes, the 2043 Senior Notes or the 2044 Senior Notes (each as defined below), and (iii) any other entity (other than the borrowers) that guarantees the JPY Notes (as defined below).

KCM Credit Agreement

KKR Capital Markets maintains a revolving credit agreement with a major financial institution (the "KCM Credit Agreement") for use in KKR's capital markets business. This financial institution also holds a noncontrolling ownership interest in our capital markets business. The KCM Credit Agreement provides for revolving borrowings of up to \$500 million with a \$500 million sublimit for letters of credit.

On March 30, 2016, the KCM Credit Agreement was amended to extend the maturity date from March 30, 2017 to March 30, 2021. If a borrowing is made on the KCM Credit Agreement, the interest rate will vary depending on the type of drawdown requested. If the loan is a Eurocurrency loan, it will be based on LIBOR plus the applicable margin which ranges initially between 1.25% and 2.50%, depending on the amount and nature of the loan. If the loan is an ABR Loan, it will be based on the prime rate plus the applicable margin which ranges initially between 0.25% and 1.50% depending on the amount and nature of the loan. Borrowings under this facility may only be used for KKR's capital markets business, and its only

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Notes to Consolidated Financial Statements (Continued)

obligors are entities involved in KKR's capital markets business, and its liabilities are non-recourse to other parts of KKR's business. A facility fee ranging between 0.20% and 0.40% is also payable on the entire facility amount.

As of December 31, 2018 and 2017, no amounts were outstanding under the KCM Credit Agreement, however various letters of credit were outstanding in the amount of \$48.7 million and \$12.3 million, respectively, which reduce the overall borrowing capacity of the KCM Credit Agreement.

KCM Short-Term Credit Agreement

On June 28, 2018, KKR Capital Markets Holdings L.P. and certain other capital market subsidiaries of KKR & Co. Inc. (collectively, the "KCM Borrowers") entered into a 364-day revolving credit agreement (the "KCM Revolver Agreement") with the same financial institution that provides the KCM Credit Agreement, as administrative agent. The KCM Revolver Agreement provides for revolving borrowings of up to \$750 million, expires on June 27, 2019, and ranks pari passu with the KCM Credit Agreement. The prior 364-day revolving credit agreement, dated as of June 29, 2017, between the KCM Borrowers, expired according to its terms on June 28, 2018. Borrowings under the KCM Revolver Agreement may only be used to facilitate the settlement of capital markets transactions syndicated by KKR's capital markets business. Obligations under the KCM Revolver Agreement are limited to the KCM Borrowers, which are solely entities involved in KKR's capital markets business, and liabilities under the KCM Revolver Agreement are non-recourse to other parts of KKR.

If a borrowing is made under the KCM Revolver Agreement, the interest rate will vary depending on the type of drawdown requested. If the borrowing is a Eurocurrency loan, it will be based on a LIBOR rate plus an applicable margin ranging between 1.25% and 2.50%, depending on the duration of the loan. If the borrowing is an ABR loan, it will be based on a base rate plus an applicable margin ranging between 0.25% and 1.50%, depending on the duration of the loan. A facility fee of 0.20% is also payable on the entire facility amount.

The KCM Revolver Agreement contains customary representations and warranties, events of default, and affirmative and negative covenants, including a financial covenant providing for a maximum debt to equity ratio for the KCM Borrowers. The KCM Borrowers' obligations under the KCM Revolver Agreement are secured by certain assets of the KCM Borrowers.

Notes Issuances

KKR Issued 6.375% Notes Due 2020

On September 29, 2010, KKR Group Finance Co. LLC, a subsidiary of KKR Management Holdings Corp., issued \$500 million aggregate principal amount of 6.375% Senior Notes due 2020 (the "2020 Senior Notes"), which were issued at a price of 99.584%. The 2020 Senior Notes are unsecured and unsubordinated obligations of KKR Group Finance Co. LLC and will mature on September 29, 2020, unless earlier redeemed or repurchased. The 2020 Senior Notes are fully and unconditionally guaranteed, jointly and severally, by KKR & Co. Inc. and the KKR Group Partnerships. The guarantees are unsecured and unsubordinated obligations of the guarantors.

The 2020 Senior Notes bear interest at a rate of 6.375% per annum, accruing from September 29, 2010. Interest is payable semi annually in arrears on March 29 and September 29 of each year.

The indenture, as supplemented by a first supplemental indenture, relating to the 2020 Senior Notes includes covenants, including limitations on KKR Group Finance Co. LLC 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 2020 Senior Notes may declare the 2020 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 2020 Senior Notes and any accrued and unpaid interest on the 2020 Senior Notes automatically becomes due and payable. All or a portion of the 2020 Senior Notes may be redeemed at the issuer's option in whole or in part, at any time, and from time to time, prior to their stated maturity, at the make whole redemption price set forth in the 2020 Senior Notes. If a change of control repurchase event occurs, the 2020 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 2020 Senior Notes repurchased plus any accrued and unpaid interest on the 2020 Senior Notes repurchased to, but not including, the date of repurchase.

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Notes to Consolidated Financial Statements (Continued)

KKR Issued 5.500% Notes Due 2043

On February 1, 2013, KKR Group Finance Co. II LLC, a subsidiary of KKR Management Holdings Corp., issued \$500 million aggregate principal amount of 5.50% Senior Notes due 2043 (the "2043 Senior Notes"), which were issued at a price of 98.856%. The 2043 Senior Notes are unsecured and unsubordinated obligations of KKR Group Finance Co. II LLC and will mature on February 1, 2043, unless earlier redeemed or repurchased. The 2043 Senior Notes are fully and unconditionally guaranteed, jointly and severally, by KKR & Co. Inc. and the KKR Group Partnerships. The guarantees are unsecured and unsubordinated obligations of the guarantors. The 2043 Senior Notes bear interest at a rate of 5.50% per annum, accruing from February 1, 2013. Interest is payable semi annually in arrears on February 1 and August 1 of each year.

The indenture, as supplemented by a first supplemental indenture, relating to the 2043 Senior Notes includes covenants, including limitations on KKR Group Finance Co. II LLC 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 2043 Senior Notes may declare the 2043 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 2043 Senior Notes and any accrued and unpaid interest on the 2043 Senior Notes automatically becomes due and payable. All or a portion of the 2043 Senior Notes may be redeemed at the issuer's option in whole or in part, at any time, and from time to time, prior to their stated maturity, at the make whole redemption price set forth in the 2043 Senior Notes. If a change of control repurchase event occurs, the 2043 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 2043 Senior Notes repurchased plus any accrued and unpaid interest on the 2043 Senior Notes repurchased to, but not including, the date of repurchase.

KKR Issued 5.125% Notes Due 2044

On May 29, 2014, KKR Group Finance Co. III LLC, a subsidiary of KKR Management Holdings Corp., issued \$500 million aggregate principal amount of 5.125% Senior Notes due 2044 (the "2044 Senior Notes"), which were issued at a price of 98.612%. The 2044 Senior Notes are unsecured and unsubordinated obligations of the issuer and will mature on June 1, 2044, unless earlier redeemed or repurchased. The 2044 Senior Notes are fully and unconditionally guaranteed, jointly and severally, by KKR & Co. Inc. and the KKR Group Partnerships. The guarantees are unsecured and unsubordinated obligations of the guarantors.

The 2044 Senior Notes bear interest at a rate of 5.125% per annum, accruing from May 29, 2014. Interest is payable semi annually in arrears on June 1 and December 1 of each year, commencing on December 1, 2014.

On March 18, 2015, KKR Group Finance Co. III LLC issued an additional \$500 million aggregate principal amount of its 2044 Notes, which were priced at 101.062%. The 2044 Notes issued in March 2015 form a single series with the 2044 Notes issued in May 2014, and the terms are identical to each other except for the issue date, issue price, the first payment date, June 1, 2015, and the date from which interest begins to accrue for the 2044 Notes issued in March 2015.

The indenture, as supplemented by a first supplemental indenture, relating to the 2044 Senior Notes includes covenants, including limitations on the issuer'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 2044 Senior Notes may declare the 2044 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 2044 Senior Notes and any accrued and unpaid interest on the 2044 Senior Notes automatically becomes due and payable. All or a portion of the 2044 Senior Notes may be redeemed at the issuer's option in whole or in part, at any time, and from time to time, prior to their stated

maturity, at the make-whole redemption price set forth in the 2044 Senior Notes. If a change of control repurchase event occurs, the 2044 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 2044 Senior Notes repurchased plus any accrued and unpaid interest on the 2044 Senior Notes repurchased to, but not including, the date of repurchase.

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Notes to Consolidated Financial Statements (Continued)

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"), a subsidiary of KKR Management Holdings Corp., completed the offering of ¥40.3 billion, aggregate principal amount of its (i) ¥25.0 billion 0.509% Senior Notes due 2023 (the "2023 Notes"), (ii) ¥5.0 billion 0.764% Senior Notes due 2025 (the "2025 Notes") and (iii) ¥10.3 billion 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 fully and unconditionally guaranteed, jointly and severally, by KKR & Co. Inc. and the KKR Group Partnerships. The guarantees are unsecured and unsubordinated obligations of 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 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 5.500% Notes Due 2032

On March 30, 2017, KFN issued \$375.0 million aggregate principal amount of 5.500% Senior Notes due 2032 (the "KFN 2032 Senior Notes"), resulting in net proceeds to KFN of \$368.6 million. The KFN 2032 Senior Notes are unsecured and unsubordinated obligations of KFN and will mature on March 30, 2032, unless earlier redeemed or repurchased. The KFN 2032 Senior Notes bear interest at a rate of 5.500% per annum, accruing from March 30, 2017. Interest is payable semi-annually in arrears on March 30 and September 30 of each year.

The indenture, as supplemented by a first supplemental indenture, relating to the KFN 2032 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 2032 Senior Notes may declare the KFN 2032 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 2032 Senior Notes and any accrued and unpaid interest on the KFN 2032 Senior Notes automatically becomes due and payable.

Beginning on March 30, 2022, KFN may redeem the KFN 2032 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 March 30, 2022, KFN may redeem the KFN 2032 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 2032 Senior Notes. If a change of control occurs, the KFN 2032 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 2032 Senior Notes repurchased plus any accrued and unpaid interest on the KFN 2032 Senior Notes repurchased to, but not including, the date of repurchase.

On November 17, 2017, KFN issued an additional \$125.0 million aggregate principal amount of the KFN 2032 Senior Notes, resulting in the total outstanding aggregate principal amount of \$500.0 million. The additional KFN 2032 Senior Notes, which were issued under the indenture related to the existing KFN 2032 Senior Notes as supplemented by a second

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Notes to Consolidated Financial Statements (Continued)

supplemental indenture, constitute a further issuance of and are part of the same series as the KFN 2032 Senior Notes first issued on March 30, 2017.

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 KKR & Co. Inc. or the KKR Group Partnerships. 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.

KFN Issued 5.400% Notes Due 2033

On May 23, 2018, KFN issued \$70.0 million aggregate principal amount of 5.400% Senior Notes due 2033 (the "KFN 5.400% Senior Notes"). The KFN 5.400% Senior Notes are unsecured and unsubordinated obligations of KFN, which do not provide for recourse to KKR beyond the assets of KFN. The KFN 5.400% Senior Notes are not guaranteed by KKR & Co. Inc. or the KKR Group Partnerships. The KFN 5.400% Senior Notes will mature on May 23, 2033, unless earlier redeemed or repurchased. The KFN 5.400% Senior Notes bear interest at a rate of 5.400% per annum, accruing from May 23, 2018. Interest is payable semi-annually in arrears on May 23 and November 23 of each year.

The indenture, as supplemented by a second supplemental indenture, relating to the KFN 5.400% 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 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 5.400% Senior Notes may declare the KFN 5.400% 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 5.400% Senior Notes and any accrued and unpaid interest on the KFN 5.400% Senior Notes automatically becomes due and payable.

Beginning on May 23, 2023, KFN may redeem the KFN 5.400% 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 May 23, 2023, KFN may redeem the KFN 5.400% 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 5.400% Senior Notes. If a change of control occurs, the KFN 5.400% 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 5.400% Senior Notes repurchased plus any accrued and unpaid interest on the KFN 5.400% Senior Notes repurchased to, but not including, the date of repurchase.

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Notes to Consolidated Financial Statements (Continued)

KFN Issued Junior Subordinated Notes

KFN established six 30 year trusts between 2006 and 2007 for the sole purpose of issuing trust preferred securities. These trusts issued preferred securities to unaffiliated investors and common securities to KFN. The combined proceeds were invested by the trusts in junior subordinated notes issued by KFN. The junior subordinated notes are the sole assets of the trusts and mature between 2036 and 2037. Interest is payable on the junior subordinated notes quarterly and based on the associated trust ranges from between LIBOR plus 2.25% and LIBOR plus 2.65%. KFN may redeem the junior subordinated notes, in whole or in part, at any time, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to the redemption date.

Other Debt Obligations

Financing Facilities of Consolidated Funds and Other

Certain of KKR's consolidated investment funds have entered into financing arrangements with financial institutions, generally to provide liquidity to such investment funds. These financing arrangements are generally not direct obligations of the general partners of KKR's investment funds (beyond KKR's capital interest) or its management companies. Such borrowings have varying maturities and bear interest at floating rates. Borrowings are generally secured by the investment purchased with the proceeds of the borrowing and/or the uncalled capital commitment of each respective fund. When an investment vehicle borrows, the proceeds are available only for use by that investment vehicle and are not available for the benefit of other investment vehicles or KKR. Collateral within each investment vehicle is also available only against borrowings by that investment vehicle and not against the borrowings of other investment vehicles or KKR.

Certain investments and other assets held directly by majority-owned investment vehicles have been funded with borrowings that are collateralized by the investments and assets they own. These borrowings are non-recourse to KKR beyond the investments and assets serving as collateral. Such borrowings have varying maturities and generally bear interest at fixed rates.

Debt Obligations of Consolidated CFEs

As of December 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	\$ 11,667,970	3.2 %	11.7
Subordinated Notes of Consolidated CLOs	413,801	(1)	12.0
Debt Obligations of Consolidated CMBS Vehicles	1,876,783	4.1 %	24.6
	\$ 13,958,554		

The subordinated notes do not have contractual interest rates but instead receive a pro rata amount of the net (1) 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 December 31, 2018, the fair value of the consolidated CFE assets was \$15.3 billion. This collateral consisted of Cash and Cash Equivalents Held at Consolidated Entities, Investments, and Other Assets.

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Notes to Consolidated Financial Statements (Continued)

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 December 31, 2018. KKR is in compliance with its debt covenants in all material respects as of December 31, 2018.

Scheduled principal payments for debt obligations at December 31, 2018 are as follows:

	Revolving Credit Facilities	Notes Issued	Other Debt Obligations	Total
2019	\$	—\$—	\$ 1,561,700	\$ 1,561,700
2020 - 2021	—	500,000	2,030,100	2,530,100
2022 - 2023	—	228,200	770,600	998,800
2024 and thereafter	—	2,588,100	14,960,300	17,548,400
	\$	—\$3,316,300	\$ 19,322,700	\$ 22,639,000

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Notes to Consolidated Financial Statements (Continued)

11. INCOME TAXES

The provision (benefit) for income taxes consists of the following:

	For the Years Ended December 31,		
	2018	2017	2016
Current			
Federal Income Tax	\$105,245	\$(34,611)	\$(3,440)
State and Local Income Tax	16,997	5,229	(443)
Foreign Income Tax	41,716	⁽¹⁾ 79,371	38,052
Subtotal	163,958	49,989	34,169
Deferred			
Federal Income Tax	(300,536)	178,449	(15,032)
State and Local Income Tax	(52,240)	(424)	1,348
Foreign Income Tax	(5,280) ⁽¹⁾	(3,688)	4,076
Subtotal	(358,056)	174,337	(9,608)
Total Income Taxes	\$(194,098)	\$224,326	\$24,561

(1) The foreign income tax provision was calculated on \$141.0 million, \$171.6 million, and \$102.1 million of pre-tax income generated in foreign jurisdictions in the years 2018, 2017, and 2016, respectively.

KKR & Co. Inc. is a corporation for U.S. federal income tax purposes and thus is subject to U.S. federal, state and local corporate income taxes at the entity level on KKR's share of net taxable income. In addition, 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 certain non-U.S. jurisdictions. These entities, in some cases, are subject to U.S. state or local income taxes or non-U.S. income taxes.

Prior to the Conversion, KKR & Co. L.P.'s investment income and carried interest generally were not subject to U.S. corporate income taxes. Subsequent to the Conversion, all income earned by KKR & Co. Inc. is subject to U.S. corporate income taxes, which we believe will result in an overall higher income tax expense (or benefit) when compared to periods prior to the Conversion.

As a result of the Conversion, KKR recognized a partial step-up in the tax basis of certain assets that will be recovered as those assets are sold or the basis is amortized. On the date of the Conversion, we recorded an estimated net tax benefit and estimated net deferred tax asset of \$257.1 million relating to this partial step-up in tax basis. Our overall tax provision is based on, among other things, an estimate of the amount of such partial step-up in tax basis that is derived from an analysis of the basis of our unitholders in their ownership of KKR common units at December 31, 2017, as adjusted by partial information received by KKR for some trades made in KKR common units in 2018. While this information does not completely reflect the actual basis of our unitholders at June 30, 2018, our estimate is based on the most recent unitholder basis information available to us. The amount of partial step-up in tax basis cannot be finally determined until complete trading information with respect to common units of KKR & Co. L.P. for the six months ended June 30, 2018 becomes available. KKR does not currently expect such information to become available until later in the first quarter of 2019 and after the filing of this Annual Report, and the timing and the availability of this information is not within KKR's control. Since the unitholder basis information currently available to us does not completely reflect the actual basis of our unitholders at June 30, 2018, the amount of partial step-up in tax basis as finally determined is expected to differ, possibly materially, from the current estimate, which in turn is expected to cause KKR's income tax provision and effective tax rate under GAAP to differ, possibly to a material extent, from the current estimate described herein. If the amount of the partial step-up in tax basis as finally determined is higher than the current estimate, KKR would record a higher net tax benefit and an incrementally greater deferred tax asset, which would have the effect of decreasing the amount of taxes payable by KKR in the

future. If the amount of partial step-up in tax basis as finally determined is lower than the current estimate, KKR would record a lower net tax benefit and an incrementally lower deferred tax asset, which would have the effect of increasing the amount of taxes payable by KKR in the future. Realizations reported for the third and fourth quarters of 2018 will be adjusted to the extent that the updated step-up in tax basis changes the amount of step-up benefit that was realized.

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Notes to Consolidated Financial Statements (Continued)

The following table reconciles the U.S. Federal Statutory Tax Rate to the Effective Income Tax Rate:

	For the Years Ended		
	December 31,		
	2018	2017	2016
Statutory U.S. Federal Income Tax Rate	21.00 %	35.00 %	35.00 %
Income not attributable to KKR & Co. Inc. ⁽¹⁾	(20.13)%	(38.64)%	(42.68)%
Foreign Income Taxes	1.66 %	2.62 %	4.32 %
State and Local Income Taxes	(0.16)%	0.05 %	0.05 %
Compensation Charges Borne by KKR Holdings	1.69 %	6.29 %	8.20 %
Conversion Benefit	(11.19)%	— %	— %
Change in Valuation Allowance	(0.53)%	— %	(1.03)%
Impact of the 2017 Tax Act	— %	3.52 %	— %
Other	(0.94)%	(0.78)%	(1.34)%
Effective Income Tax Rate	(8.60)%	8.06 %	2.52 %

(1) Represents primarily income attributable to (i) redeemable noncontrolling interests for all periods and (ii) noncontrolling interests for all periods. This item also includes investment income of certain entities and net carried interest of certain general partners of KKR investment funds that were not subject to U.S. federal income taxes prior to the Conversion.

Deferred income taxes reflect the net tax effects of temporary differences that may exist between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes using enacted tax rates in effect for the year in which the differences are expected to reverse. A summary of the tax effects of the temporary differences is as follows:

	December 31, 2018	December 31, 2017
Deferred Tax Assets		
Fund Management Fee Credits & Refunds	\$60,740	\$51,662
Equity Based Compensation	21,949	19,749
KKR Holdings Unit Exchanges ⁽¹⁾	127,275	93,229
Depreciation and Amortization ⁽²⁾	293,481	13,421
Federal Foreign Tax Credit	—	15,028
Investment Basis Differences / Net Unrealized Gains & Losses ⁽²⁾	16,613	—
Net Operating Loss Carryforwards	3,607	4,346
Other	14,496	5,875
Total Deferred Tax Assets before Valuation Allowance	538,161	203,310
Valuation Allowance	—	(11,872)
Total Deferred Tax Assets	538,161	191,438
Deferred Tax Liabilities		
Investment Basis Differences / Net Unrealized Gains & Losses	—	59,494
Total Deferred Tax Liabilities	—	59,494
Total Deferred Taxes, Net	\$538,161	\$131,944

(1) In connection with exchanges of KKR Holdings units into Class A common stock of KKR & Co. Inc., KKR records a deferred tax asset associated with an increase in KKR & Co. Inc.'s share of the tax basis of the tangible and intangible assets of the KKR Group Partnerships. This amount is offset by an adjustment to record amounts due to KKR Holdings and principals under the tax receivable agreement, which is included within Due to Affiliates in the consolidated statements of financial condition. The net impact of these adjustments was recorded as an adjustment to equity at the time of the exchanges.

(2)

Explanation of Responses:

This deferred tax item includes a portion of the tax benefit KKR recognized as a result of the step-up in tax basis generated by the Conversion.

Future realization of the above deferred tax assets is dependent on KKR generating sufficient taxable income within the period of time that the tax benefits are expected to reverse. KKR considers projections of taxable income in evaluating its ability to utilize those deferred tax assets. In projecting its taxable income, KKR begins with historical results and incorporates assumptions concerning the amount and timing of future pretax operating income. Those assumptions require significant judgment and are consistent with the plans and estimates that KKR uses to manage its business. KKR has determined that it is

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Notes to Consolidated Financial Statements (Continued)

more likely than not that all deferred tax assets will be realized and that a valuation allowance is not needed as of December 31, 2018.

As of December 31, 2018, KKR has a U.S. federal income tax net operating loss ("NOL") carryforward of \$45.2 million attributable to 2016 and a cumulative state and local NOL carryforward of \$90.2 million that will begin to expire in 2036. KKR intends to carry back its U.S. federal NOL to past years during 2019, and is reflecting the estimated refund related to the carryback within other assets as a prepaid tax. KKR has elected to treat taxes paid in foreign jurisdictions as a deduction in lieu of a Foreign Tax Credit ("FTC"), because of U.S. federal limitations on FTC utilization. As a result, the valuation allowance that was previously recorded due to the uncertainty as to whether or not KKR would be able to utilize its FTC carryover balance is no longer applicable.

Tax Contingencies

KKR files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, KKR is subject to examination by U.S. federal and certain state, local and foreign tax regulators. As of December 31, 2018, tax returns of KKR and its predecessor entities for the years 2015 through 2017 for U.S. federal purposes and 2011 through 2017 for state and local tax purposes are open under general statute of limitations provisions and therefore subject to examination.

At December 31, 2018, 2017 and 2016, KKR's unrecognized tax benefits relating to uncertain tax positions, excluding related interest and penalties, consisted of the following:

	For the Years Ended		
	December 31,		
	2018	2017	2016
Unrecognized Tax Benefits, beginning of period	\$48,170	\$43,996	\$22,792
Gross increases in tax positions in prior periods	—	—	—
Gross decreases in tax positions in prior periods	—	—	(1,351)
Gross increases in tax positions in current period	5,542	4,406	22,810
Lapse of statute of limitations	(114)	(232)	(255)
Unrecognized Tax Benefits, end of period	\$53,598	\$48,170	\$43,996

If the above tax benefits were recognized it would reduce the effective income tax rate. KKR believes that there will not be a significant increase or decrease to the tax positions within 12 months of the reporting date.

The unrecognized tax benefits are recorded in Accounts Payable, Accrued Expenses and Other Liabilities. KKR recognizes interest and penalties accrued related to unrecognized tax benefits as income tax expense. Related to the unrecognized tax benefits, KKR accrued penalties of \$0.3 million and interest of \$2.6 million during 2018 and in total, as of December 31, 2018, recognized a liability for penalties of \$2.6 million and interest of \$10.6 million. During 2017, penalties of \$0.1 million and interest of \$2.2 million were accrued and in total, as of December 31, 2017, recognized a liability for penalties of \$2.3 million and interest of \$7.9 million.

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Notes to Consolidated Financial Statements (Continued)

12. EQUITY BASED COMPENSATION

The following table summarizes the expense associated with equity-based compensation for the years ended December 31, 2018, 2017 and 2016, respectively.

	For the Years Ended December 31,		
	2018	2017	2016
Equity Incentive Plan	\$242,811	\$204,308	\$186,227
KKR Holdings Principal Awards	104,625	143,204	44,837
Other Exchangeable Securities	—	—	12,091
Total ⁽¹⁾	\$347,436	\$347,512	\$243,155

(1) Includes \$11,735 and \$11,214 of equity based charges for the years ended December 31, 2018 and 2017 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. Inc. Class A common stock. Vested awards under the Equity Incentive Plan dilute KKR & Co. Inc. common stockholders and KKR Holdings pro rata in accordance with their respective percentage interests in the KKR Group Partnerships.

The total number of Class A common stock that may be issued under the Equity Incentive Plan is equivalent to 15% of the number of fully diluted shares of Class A common stock 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 shares of Class A common stock 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. Inc. Class A common stock on the date of grant, discounted for the lack of participation rights in the expected dividends on unvested shares. The discount range for awards granted prior to December 31, 2015 was based on management's estimates of future dividends 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%. The following table presents information regarding the discount for the lack of participation rights in the expected dividends for shares granted subsequent to December 31, 2015.

Date of Grant	Discount per share ⁽¹⁾
January 1, 2016 to December 31, 2016	\$ 0.64
January 1, 2017 to December 31, 2017	\$ 0.68
January 1, 2018 to June 30, 2018	\$ 0.68
July 1, 2018 to Present	\$ 0.50

Explanation of Responses:

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Represents the annual discount for the lack of participation rights on expected dividends. The total discount on any (1) given tranche of unvested shares is calculated as the discount per share multiplied by the number of years in the applicable vesting period.

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.

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Market Condition Awards

On November 2, 2017, KKR's Co-Presidents and Co-Chief Operating Officers were each granted equity awards representing 2.5 million shares of KKR Class A common stock subject to a market price-based vesting condition ("Market Condition Awards"). These awards were granted under the Equity Incentive Plan. All of such awards will vest upon the market price of KKR Class A common stock reaching and maintaining a closing market price of \$40 per share 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 share 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 share 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 dividends 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 December 31, 2018, there was approximately \$12.3 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 December 31, 2018, there was approximately \$400.0 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)
2019	\$ 191.9
2020	133.7
2021	57.7
2022	15.8
2023	0.9
Total	\$ 400.0

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Notes to Consolidated Financial Statements (Continued)

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 December 31, 2018 is presented below:

	Shares	Weighted Average Grant Date Fair Value
Balance, January 1, 2018	46,422,733	\$ 14.98
Granted	5,489,046	22.42
Vested	(16,101,190)	15.02
Forfeitures	(2,410,406)	14.37
Balance, December 31, 2018	33,400,183	\$ 16.23

The weighted average remaining vesting period over which unvested awards are expected to vest is 1.3 years.

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

Vesting Date	Shares
April 1, 2019	9,134,599
October 1, 2019	4,811,012
April 1, 2020	7,294,238
October 1, 2020	3,633,747
April 1, 2021	4,178,268
October 1, 2021	2,131,927
April 1, 2022	923,830
October 1, 2022	1,201,390
October 1, 2023	91,172
	33,400,183

KKR Holdings Awards

KKR Holdings units are exchangeable for KKR Group Partnership Units and allow for their exchange into Class A common stock of KKR & Co. Inc. on a one-for-one basis. As of December 31, 2018 and 2017, KKR Holdings owned approximately 35.9% or 299,081,239 units and 40.9% or 335,971,334 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 0.3% of the outstanding KKR Holdings units) have been granted as of December 31, 2018, and certain Holdings units remain subject to vesting.

The fair value of awards granted out of KKR Holdings is generally based on the closing price of KKR & Co. Inc. Class A common stock on the date of grant discounted for the lack of participation rights in the expected distributions on unvested units. KKR determined this to be the best evidence of fair value as KKR & Co. Inc. Class A common stock 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 KKR & Co. Inc. Class A common stock. Specifically, units in

KKR Holdings and shares of KKR & Co. Inc. 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 share of KKR & Co. Inc. Class A common stock on a one-for-one basis.

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

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Notes to Consolidated Financial Statements (Continued)

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 & Co. Inc. Class A common stock 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. This discount is consistent with that noted above for shares issued under the Equity Incentive Plan.

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 December 31, 2018, there was approximately \$257.2 million of estimated unrecognized expense related to unvested KKR Holdings awards. That cost is expected to be recognized as follows:

Unrecognized	
Year	Expense
(in millions)	
2019	\$ 96.2
2020	88.1
2021	47.5
2022	25.4
Total	\$ 257.2

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

	Units	Weighted Average Grant Date Fair Value
Balance, January 1, 2018	30,848,583	\$ 14.42
Granted	450,000	20.90
Vested	(6,494,590)	15.15
Forfeitures	(680,000)	11.99
Balance, December 31, 2018	24,123,993	\$ 14.42

The weighted average remaining vesting period over which unvested awards are expected to vest is 1.9 years.

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

Vesting Date	Units
April 1, 2019	229,514
May 1, 2019	3,680,000
October 1, 2019	2,455,000
April 1, 2020	124,479
May 1, 2020	3,680,000
October 1, 2020	2,940,000
May 1, 2021	3,680,000

Explanation of Responses:

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October 1, 2021	3,425,000
October 1, 2022	3,910,000
	24,123,993

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Notes to Consolidated Financial Statements (Continued)

13. RELATED PARTY TRANSACTIONS

Due from Affiliates consists of:

	December 31, 2018	December 31, 2017
Amounts due from portfolio companies	\$82,204	\$129,594
Amounts due from unconsolidated investment funds	568,211	415,907
Amounts due from related entities	6,774	8,848
Due from Affiliates	\$657,189	\$554,349

Due to Affiliates consists of:

	December 31, 2018	December 31, 2017
Amounts due to KKR Holdings in connection with the tax receivable agreement	\$117,862	\$84,034
Amounts due to unconsolidated investment funds	157,722	239,776
Due to Affiliates	\$275,584	\$323,810

Tax Receivable Agreement

KKR is required to acquire KKR Group Partnership Units from time to time pursuant to the exchange agreement with KKR Holdings. The KKR Group Partnerships have each made an election under Section 754 of the Internal Revenue Code of 1986, as amended, that will remain in effect for each taxable year in which an exchange of KKR Group Partnership Units for Class A common stock occurs, which may result in an increase in KKR's 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 KKR's 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 KKR's 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 KKR otherwise would 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.

KKR has entered into a tax receivable agreement with KKR Holdings, which requires KKR to pay to KKR Holdings, or to current and former principals who have exchanged KKR Holdings units for shares of Class A common stock (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 KKR realizes as a result of the increase in tax basis described above, as well as 85% of the amount of any such savings KKR actually realizes as a result of increases in tax basis that arise due to future payments under the agreement. KKR expects to benefit from the remaining 15% of cash savings, if any, in income tax that it realizes. A termination of the agreement or a change of control could give rise to similar payments based on tax savings that KKR would be deemed to realize in connection with such events.

These payment obligations are obligations of KKR & Co. Inc. and certain of its intermediate holding companies and not of any KKR Group Partnership and are recorded within Due to Affiliates in the accompanying consolidated statements of financial condition. Payments made under the tax receivable agreement are required to be made within 90 days of the filing of KKR's tax returns, which may result in a timing difference between the tax savings received by KKR and the cash payments made to the exchanging holders of KKR Group Partnership Units.

As a result of the 2017 Tax Act, which lowered the U.S. federal corporate tax rate from 35% to 21%, expected future cash savings generated as a result of KKR Holdings exchanges are expected to decrease. Accordingly, KKR has decreased the liability associated with the tax receivable agreement to reflect lower future payments to individuals who exchanged KKR Holdings units for shares of Class A common stock. The amount of this reduction was \$67.2 million and is included in Net Gains (Losses) from Investment Activities in the consolidated statements of operations for the year ended December 31, 2017.

Explanation of Responses:

For the years ended December 31, 2018 and 2017, no cash payments have been made under the tax receivable agreement. For the year ended December 31, 2016, cash payments that have been made under the tax receivable agreement were \$5.0 million. KKR expects its intermediate holding companies to benefit from the remaining 15% of cash savings, if any, in income tax that they realize. As of December 31, 2018, \$4.2 million of cumulative income tax savings have been realized.

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Notes to Consolidated Financial Statements (Continued)

Discretionary Investments

Certain of KKR's current and former employees and other qualifying personnel are permitted to invest, and have invested, their own capital in KKR's funds, in side-by-side investments with these funds and the firm, as well as in funds managed by its strategic manager partnerships. Side-by-side investments are made on the same terms and conditions as those acquired by the applicable fund or the firm, except that the side-by-side investments do not subject the investor to management fees or a carried interest. The cash contributed by these individuals aggregated \$415.0 million, \$505.1 million, and \$328.3 million for the years ended December 31, 2018, 2017 and 2016, respectively.

Aircraft and Other Services

Certain of the senior employees own aircraft that KKR uses for business purposes in the ordinary course of its operations. These senior employees paid for the purchase of these aircraft with personal funds and bear all operating, personnel and maintenance costs associated with their operation. The hourly rates that KKR pays for the use of these aircraft are based on current market rates for chartering private aircraft of the same type. KKR incurred \$3.6 million, \$3.9 million, and \$5.1 million for the use of these aircraft for the years ended December 31, 2018, 2017 and 2016, respectively.

Facilities

Certain trusts, whose beneficiaries include children of Mr. Kravis and Mr. Roberts, and certain other senior employees who are not executive officers of KKR, are partners in a real-estate based partnership that maintains an ownership interest in KKR's Menlo Park location. Payments made to this partnership were \$7.9 million, \$7.6 million, and \$7.4 million for the years ended December 31, 2018, 2017 and 2016, respectively.

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Notes to Consolidated Financial Statements (Continued)

14. SEGMENT REPORTING

KKR operates through one operating and reportable segment. This single reportable segment reflects how the chief operating decision makers allocate resources and assess performance under KKR's "one-firm approach," which includes operating collaboratively across business lines, with predominantly a single expense pool.

KKR's segment reporting is presented prior to giving effect to the allocation of income (loss) between KKR & Co. Inc. and KKR Holdings L.P. and as such represents the business in total. In addition, KKR's segment reporting is 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. Inc. The segment measures used in KKR's segment reporting, including segment revenues, segment expenses, after-tax distributable earnings, segment assets, segment liabilities and segment book value are used by management in making operational and resource deployment decisions as well as assessing the overall performance of KKR's business.

After-tax Distributable Earnings

After-tax distributable earnings is a performance measure of KKR's earnings on a segment basis excluding mark-to-market gains (losses). Starting with the second quarter of 2018, it is defined as the amount of net realized earnings of KKR for a given reporting period, after deducting equity-based compensation. KKR revised the definition of after-tax distributable earnings starting in the second quarter of 2018, because it reflects how the chief operating decision makers allocate resources and assess the performance of KKR's business. KKR believes that after-tax distributable earnings is useful to stockholders as it aligns KKR's net realization performance with the manner in which KKR receives its revenues and determines the compensation of its employees. After-tax distributable earnings does not represent and is not used to calculate actual dividends under KKR's dividend policy. Historically, equity-based compensation expense relating to the Equity Incentive Plan was not reflected in our calculation of after-tax distributable earnings. Under KKR's segment presentation, equity-based compensation expense is included in after-tax distributable earnings as a component of compensation expense in order to reflect the dilutive nature of these non-cash equity-based awards. For comparability, after-tax distributable earnings for the comparable prior periods have been calculated using this definition.

Modification of Segment Information

In connection with a change of KKR's chief operating decision makers, KKR's management has reevaluated the manner in which it makes operational and resource deployment decisions and assesses the overall performance of KKR's business. As a result, KKR has modified the presentation of its segment financial information effective as of and for the three months ended June 30, 2018, with retrospective application to all prior periods presented.

The most significant changes between KKR's current segment presentation and its previous segment presentation reported prior to the three months ended June 30, 2018, are as follows:

After-tax Distributable Earnings - After-tax distributable earnings is the performance measure for KKR's profitability and is used by management in making operational and resource deployment decisions since after-tax distributable earnings aligns KKR's net realized performance with the manner in which KKR receives its revenues and determines the compensation of its employees. Previously, economic net income was a key performance measure. The key distinction between after-tax distributable earnings and economic net income is that after-tax distributable earnings reflects the earnings of KKR excluding mark-to-market gains (losses).

Single Reportable Segment - KKR operates through one operating and reportable segment as the chief operating decision makers assess performance of and allocate resources to all of its business lines on a collective basis. These performance assessments and resource allocation decisions are based both on individual and group performance and

on broad considerations reflecting KKR's "one-firm approach," which includes operating collaboratively across business lines with predominantly a single expense pool. Historically, KKR operated as four reportable segments.

Elimination of Expense Allocation Process - In previous periods, certain expenses were allocated among four historical reportable segments. For the reasons discussed above, a majority of our expenses, namely compensation expense and interest expense, are not specifically allocated among our business lines. Accordingly, KKR has eliminated the expense allocation process that was used in prior periods.

Inclusion of Equity Based Compensation in After-tax Distributable Earnings - Historically, equity-based compensation expense relating to the Equity Incentive Plan was not reflected in our calculation of after-tax distributable earnings.

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Notes to Consolidated Financial Statements (Continued)

Under KKR's current segment presentation, equity-based compensation expense is included in after-tax distributable earnings as a component of compensation expense in order to reflect the dilutive nature of these non-cash equity-based awards. For comparability, after-tax distributable earnings for the comparable prior periods have been calculated using this new definition.

Interest Expense Excluded from Segment Revenues - Historically, KKR's interest expense on its debt capital was allocated entirely to the Principal Activities business line (one of the four historical reportable segments) as a reduction of investment income. As such, interest expense was included as a reduction to total segment revenues. Under KKR's current segment presentation, interest expense is not allocated among its business lines, as its debt capital supports KKR's entire business and not any particular business line. As such, KKR's current segment presentation excludes interest expense from total segment revenues.

In connection with these modifications, segment information as of and for the years ended December 31, 2017 and 2016 have been presented in this Annual Report on Form 10-K to conform to KKR's current segment presentation for comparability purposes. Consequently, this information will be different from the historical segment financial results previously reported by KKR in its reports filed with the SEC.

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Notes to Consolidated Financial Statements (Continued)

The following tables set forth information regarding KKR's segment results.

	As of and for the Years Ended December		
	31,		
	2018	2017	2016
Segment Revenues			
Fees and Other, Net			
Management Fees	\$1,069,074	\$905,188	\$797,862
Transaction Fees	977,485	777,247	344,274
Monitoring Fees	87,520	81,021	64,354
Fee Credits	(280,136)	(261,429)	(131,628)
Total Fees and Other, Net	1,853,943	1,502,027	1,074,862
Realized Performance Income (Loss)			
Carried Interest	1,218,647	1,198,981	1,256,208
Incentive Fees	138,330	73,395	33,346
Total Realized Performance Income (Loss)	1,356,977	1,272,376	1,289,554
Realized Investment Income (Loss)			
Net Realized Gains (Losses) ⁽¹⁾	365,324	194,020	371,563
Interest Income and Dividends	286,468	285,696	322,857
Total Realized Investment Income (Loss)	651,792	479,716	694,420
Total Segment Revenues	\$3,862,712	\$3,254,119	\$3,058,836
Segment Expenses			
Compensation and Benefits ⁽²⁾	1,533,431	1,282,745	1,119,564
Occupancy and Related Charges	57,022	56,410	62,400
Other Operating Expenses ⁽³⁾	293,621	243,772	234,348
Total Segment Expenses	\$1,884,074	\$1,582,927	\$1,416,312
Segment Operating Earnings	1,978,638	1,671,192	1,642,524
Interest Expense	187,379	181,612	188,761
Preferred Dividends	33,364	33,364	22,235
Income (Loss) Attributable to Noncontrolling Interests	8,807	6,551	2,336
Income Taxes Paid	151,848	94,065	87,723
After-tax Distributable Earnings	\$1,597,240	\$1,355,600	\$1,341,469
Segment Assets	\$17,587,636	\$15,761,312	\$13,333,141
Segment Liabilities	\$4,081,694	\$3,565,216	\$3,016,986
Segment Book Value	\$12,980,560	\$11,673,909	\$9,796,591

Given the extraordinary nature of the Conversion, the reported segment financial results for the year ended (1) December 31, 2018 exclude approximately \$729.4 million of losses on certain investments which were realized in the second quarter of 2018 in advance of the Conversion.

(2) Includes equity-based compensation of \$242.8 million, \$204.3 million, and \$186.2 million for the years ended December 31, 2018, 2017, and 2016, respectively.

(3) For the year ended December 31, 2018, excludes approximately \$11.5 million of non-recurring costs in connection with the Conversion.

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Notes to Consolidated Financial Statements (Continued)

KKR's business lines are differentiated primarily by their business objectives, investment strategies and sources of revenue, and are summarized below.

KKR's revenue activity is predominantly generated domestically. KKR North America Fund XI contributed more than 10% of KKR's total segment revenues for the year ended December 31, 2018 in the amount of \$515.3 million. KKR 2006 Fund contributed more than 10% of KKR's total segment revenues for the years ended December 31, 2017 and 2016 in the amounts of \$577.9 million and \$529.0 million, respectively.

Through KKR's Private Markets business line, 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. In addition to its traditional private equity funds, KKR sponsors investment funds that invest in growth equity and core investments. KKR also manages and sponsors investment funds and co-investment vehicles that invest capital in real assets, such as infrastructure, energy and real estate.

Through KKR's Public Markets business line, KKR operates its combined credit and hedge funds platforms. KKR's credit platform 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 platform consists of hedge fund partnerships with third-party hedge fund managers in which KKR owns a minority stake.

KKR's Capital Markets business line 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.

Through KKR's Principal Activities business line, KKR manages the firm's assets and deploys capital to support and grow its business lines including making capital commitments as general partner to its funds, to seed new business strategies or investments for new funds or to bridge capital selectively for its funds' investments. The Principal Activities business line also provides the required capital to fund the various commitments of KKR's Capital Markets business line or to meet regulatory capital requirements.

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Notes to Consolidated Financial Statements (Continued)

	For the Year Ended December 31, 2016				Total
	Private Markets	Public Markets	Capital Markets	Principal Activities	
Fees and Other, Net					
Management Fees	\$466,422	\$331,440	\$—	\$—	\$797,862
Transaction Fees	132,602	30,155	181,517	—	344,274
Monitoring Fees	64,354	—	—	—	64,354
Fee Credits	(103,579)	(28,049)	—	—	(131,628)
Total Fees and Other, Net	559,799	333,546	181,517	—	1,074,862
Realized Performance Income (Loss)					
Carried Interest	1,252,370	3,838	—	—	1,256,208
Incentive Fees	—	33,346	—	—	33,346
Total Realized Performance Income (Loss)	1,252,370	37,184	—	—	1,289,554
Realized Investment Income (Loss)					
Net Realized Gains (Losses)	—	—	—	371,563	371,563
Interest Income and Dividends	—	—	—	322,857	322,857
Total Realized Investment Income (Loss)	—	—	—	694,420	694,420
Total	\$1,812,169	\$370,730	\$181,517	\$694,420	\$3,058,836

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

Revenues

	For the Years Ended December 31,		
	2018	2017	2016
Total GAAP Revenues	\$2,395,836	\$3,557,280	\$2,040,018
Add: Management Fees - Consolidated Funds and Other	457,314	267,032	196,375
Deduct: Fee Credits - Consolidated Funds	48,193	4,028	2,921
Deduct: Capital Allocation-Based Income (GAAP)	554,510	2,015,676	935,110
Add: Segment Realized Carried Interest	1,218,647	1,198,981	1,256,208
Add: Segment Realized Investment Income (Loss)	651,792	479,716	694,420
Deduct: Revenue Earned by Other Consolidated Entities	111,185	106,042	108,605
Deduct: Expense Reimbursements	146,989	123,144	81,549
Total Segment Revenues	\$3,862,712	\$3,254,119	\$3,058,836

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Notes to Consolidated Financial Statements (Continued)

Expenses

	For the Years Ended December 31,		
	2018	2017	2016
Total GAAP Expenses	\$2,089,477	\$2,336,692	\$1,695,474
Deduct: Equity-based and Other Compensation - KKR Holdings L.P.	100,182	141,727	78,663
Deduct: Unrealized Performance Income Compensation	(295,794)	247,601	(161,510)
Deduct: Amortization of Intangibles	7,700	17,821	41,803
Deduct: Reimbursable Expenses	176,126	155,173	111,016
Deduct: Operating Expenses relating to Other Consolidated Entities	179,818	172,920	216,958
Deduct: One-time Non-recurring Costs ⁽¹⁾	11,501	—	—
Add: Other	(25,870)	(18,523)	7,768
Total Segment Expenses	\$1,884,074	\$1,582,927	\$1,416,312

(1) Represents non-recurring costs in connection with the Conversion.

Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders

	For the Years Ended December 31,		
	2018	2017	2016
GAAP Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders	\$1,097,699	\$984,941	\$287,072
Add: Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.	561,052	791,021	212,878
Add: Equity-based and Other Compensation - KKR Holdings L.P.	100,632	141,727	78,663
Add: Amortization of Intangibles and Other, net	26,116	122,870	(17,267)
Add: One-time Non-recurring Costs ⁽¹⁾	11,501	—	—
Add: Realized Losses on Certain Investments ⁽²⁾	729,425	—	—
Deduct: Unrealized Carried Interest	(756,467)	600,242	(420,372)
Deduct: Net Unrealized Gains (Losses)	1,043,912	395,358	(584,423)
Add: Unrealized Performance Income Compensation	(295,794)	247,601	(161,510)
Deduct: Gain from remeasurement of tax receivable agreement liability ⁽³⁾	—	67,221	—
Add: Income Tax Provision	(194,098)	224,326	24,561
Deduct: Income Taxes Paid	151,848	94,065	87,723
After-tax Distributable Earnings	\$1,597,240	\$1,355,600	\$1,341,469

(1) Represents non-recurring costs in connection with the Conversion.

(2) Represents losses on certain investments which were realized in the second quarter of 2018 in advance of the Conversion.

(3) Represents the impacts of the remeasurement of the tax receivable agreement which arises from changes in the associated deferred tax balance, including the impacts related to the 2017 Tax Act.

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Notes to Consolidated Financial Statements (Continued)

The items that reconcile KKR's reportable segment income (loss) attributable to noncontrolling interests 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 consolidated entities.

Assets

	As of December 31,		
	2018	2017	2016
GAAP Assets	\$50,743,375	\$45,834,719	\$39,002,897
Impact of Consolidation of Funds and Other Entities	(31,888,471)	(28,659,078)	(24,367,570)
Carry Pool Reclassification	(922,977)	(1,220,559)	(987,994)
Other Reclassifications	(344,291)	—	—
Impact of KKR Management Holdings Corp.	—	(193,770)	(314,192)
Segment Assets ⁽¹⁾	\$17,587,636	\$15,761,312	\$13,333,141

Liabilities

	As of December 31,		
	2018	2017	2016
GAAP Liabilities	\$25,360,766	\$25,171,919	\$21,884,814
Impact of Consolidation of Funds and Other Entities	(20,011,804)	(20,636,610)	(18,090,554)
Carry Pool Reclassification	(922,977)	(1,220,559)	(987,994)
Other Reclassifications	(344,291)	373,750	373,750
Impact of KKR Management Holdings Corp.	—	(123,284)	(163,030)
Segment Liabilities ⁽¹⁾	\$4,081,694	\$3,565,216	\$3,016,986

Stockholders' Equity

	As of December 31,		
	2018	2017	2016
KKR & Co. Inc. Stockholders' Equity - Common Stockholders	\$8,167,056	\$6,703,382	\$5,457,279
Impact of Consolidation of Funds and Other Entities	205,502	214,188	118,635
Other Reclassifications	(17,446)	(17,446)	(17,446)
Noncontrolling Interests Held by KKR Holdings L.P.	4,625,448	4,844,271	4,389,285
Impact of KKR Management Holdings Corp.	—	(70,486)	(151,162)
Segment Book Value ⁽¹⁾	\$12,980,560	\$11,673,909	\$9,796,591

⁽¹⁾ As of December 31, 2018, KKR's segment assets, liabilities, and book value reflects KKR's tax assets and liabilities prepared under GAAP.

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Notes to Consolidated Financial Statements (Continued)

15. EQUITY

Stockholders' Equity

KKR & Co. Inc.'s common stock consists of Class A common stock, Class B common stock and Class C common stock. On July 1, 2018, as a result of the Conversion, (i) each outstanding common unit representing limited partner interests in KKR & Co. L.P. converted into one issued and outstanding, fully paid and nonassessable share of Class A common stock, (ii) each outstanding managing partner unit of KKR & Co. L.P. converted into one issued and outstanding, fully paid and nonassessable share of Class B common stock, and (iii) each outstanding special voting unit of KKR & Co. L.P. converted into one issued and outstanding, fully paid and nonassessable share of Class C common stock. KKR & Co. Inc.'s certificate of incorporation and bylaws provide stockholders with substantially the same rights and obligations that unitholders had immediately prior to the Conversion. Under the laws of the state of its incorporation, KKR & Co. Inc. is deemed to be the same entity as KKR & Co. L.P. In connection with the Conversion, each 6.75% Series A Preferred Unit and 6.50% Series B Preferred Unit of KKR & Co. L.P. was converted into one share of 6.75% Series A Preferred Stock ("Series A Preferred Stock") and 6.50% Series B Preferred Stock ("Series B Preferred Stock") of KKR & Co. Inc., respectively.

Upon Conversion, KKR's authorized capital stock consists of 5,000,000,000 shares, all with a par value of \$0.01 per share, of which: (i) 3,500,000,000 are designated as Class A common stock; (ii) one is designated as Class B common stock; (iii) 499,999,999 are designated as Class C common stock; and (iv) 1,000,000,000 are designated as preferred stock, of which (a) 13,800,000 shares are designated as Series A Preferred Stock and (b) 6,200,000 shares are designated as Series B Preferred Stock.

Below is a summary of the reclassification from partnership equity accounts to equity accounts reflective of a corporation following the Conversion. See statements of changes in equity.

KKR & Co. L.P. Partners' Capital - Common Unitholders as of June 30, 2018	\$7,940,529
Less: Reclassifications to Class A Common Stock (\$0.01 par value, 524,341,874 shares)	5,243
Less: Reclassifications to Class B Common Stock (\$0.01 par value, 1 share)	—
Less: Reclassifications to Class C Common Stock (\$0.01 par value, 304,107,762 shares)	3,041
Less: Reclassifications to Additional Paid-In Capital	7,932,245
KKR & Co. L.P. Partners' Capital - Common Unitholders as of July 1, 2018	\$—

Retained Earnings

Upon Conversion, there were no Retained Earnings as a corporation.

Accumulated Other Comprehensive Income (Loss)

There was no impact to Accumulated Other Comprehensive Income (Loss) upon Conversion.

Class A, Class B and Class C Common Stock

Class A common stock and Class C common stock are non-voting and are not entitled to vote on any matter that is generally subject to a vote of the stockholders, except as expressly provided in the certificate of incorporation and bylaws or required by Delaware law or the rules of the NYSE. Class B common stock is voting and is entitled to one vote per share on any matter that is submitted to a vote of the stockholders generally. For matters on which our Class A common stock is entitled to vote, as provided in the certificate of incorporation or bylaws or required by Delaware law or the rules of the NYSE, so long as the ratio at which KKR Group Partnership Units are exchangeable for Class A common stock remains on a one-for-one basis, Class C common stock will vote together with Class A common stock as a single class and on an equivalent basis unless required otherwise by Delaware law, except Class C common stock will vote separately as a class on any amendment to the certificate of incorporation that changes certain terms, rights or preferences of Class C common stock.

The holder of Class B common stock and holders of Class C common stock do not have any economic rights to receive dividends or receive distributions upon the dissolution, liquidation or winding up of KKR. Class A common stock, Class B common stock and Class C common stock are not entitled to preemptive rights, and, except in the case

of impermissible

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Notes to Consolidated Financial Statements (Continued)

transfers of the Class B common stock, which would result in KKR's redemption of such Class B common stock, are not subject to conversion, redemption or sinking fund provisions.

Series A and Series B Preferred Stock

The board of directors is authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers (including voting powers), preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by the stockholders (except as may be required by the terms of any preferred stock then outstanding).

KKR & Co. Inc. has outstanding 13,800,000 shares of Series A Preferred Stock and 6,200,000 shares of Series B Preferred Stock. Series A Preferred Stock and Series B Preferred Stock trade on the NYSE under the symbols "KKR PR A" and "KKR PR B", respectively, and were originally issued on March 17, 2016 and June 20, 2016, respectively. The terms of the preferred stock are set forth in our certificate of incorporation.

If declared, dividends on the Series A Preferred Stock and Series B Preferred Stock are payable quarterly on March 15, June 15, September 15 and December 15 of each year, at a rate per annum equal to 6.75%, in the case of Series A Preferred Stock, and 6.50%, in the case of Series B Preferred Stock. Dividends on the Series A Preferred Stock and Series B Preferred Stock are discretionary and non-cumulative. Holders of the Series A Preferred Stock and Series B Preferred Stock will only receive dividends on such shares when, as and if declared by the board of directors. KKR has no obligation to declare or pay any dividends for any dividend period, whether or not dividends on any series of preferred stock are declared or paid for any other dividend period.

Unless dividends have been declared and paid (or declared and set apart for payment) on Series A Preferred Stock and Series B Preferred Stock for a quarterly distribution period, KKR & Co. Inc. may not declare or pay dividends on, or repurchase, any of its shares that are junior to Series A Preferred Stock and Series B Preferred Stock, including Class A common stock, during such dividend period. A dividend period begins on a dividend payment date and extends to, but excludes, the next dividend payment date.

If KKR & Co. Inc. dissolves, then the holders of the Series A Preferred Stock and Series B Preferred Stock are entitled to receive payment of a \$25.00 liquidation preference per share, plus declared and unpaid dividends, if any, to the extent that KKR has sufficient gross income (excluding any gross income attributable to the sale or exchange of capital assets) such that holders of such preferred stock have capital account balances equal to such liquidation preference, plus declared and unpaid dividends, if any.

The Series A Preferred Stock and Series B Preferred Stock do not have a maturity date. However, Series A Preferred Stock may be redeemed at KKR & Co. Inc.'s option, in whole or in part, at any time on or after June 15, 2021, at a price of \$25.00 per share, plus declared and unpaid dividends, if any. Series B Preferred Stock may be redeemed at KKR & Co. Inc.'s option, in whole or in part, at any time on or after September 15, 2021, at a price of \$25.00 per share, plus declared and unpaid dividends, if any. Holders of Series A Preferred Stock and Series B Preferred Stock have no right to require the redemption of such stock.

If a certain change of control event with a ratings downgrade occurs prior to June 15, 2021, in the case of Series A Preferred Stock, and September 15, 2021, in the case of Series B Preferred Stock, then Series A Preferred Stock or Series B Preferred Stock, as applicable, may be redeemed at KKR & Co. Inc.'s option, in whole but not in part, upon at least 30 days' notice, within 60 days of the occurrence of such change of control event, at a price of \$25.25 per share, plus declared and unpaid dividends, if any. If such a change of control event occurs (whether before, on or after June 15, 2021, in the case of the Series A Preferred Stock, or September 15, 2021, in the case of the Series B Preferred Stock) and we do not give such notice, the dividend rate per annum on the applicable series of preferred stock will increase by 5.00%, beginning on the 31st day following such change of control event.

Series A Preferred Stock and Series B Preferred Stock are not convertible into common stock of KKR & Co. Inc. and have no voting rights, except that holders of Series A Preferred Stock and Series B Preferred Stock have certain voting rights in limited circumstances relating to the election of directors following the failure to declare and pay dividends, certain amendments to the terms of the preferred stock, and the creation of preferred stock that are senior to the Series A Preferred Stock and Series B Preferred Stock.

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Notes to Consolidated Financial Statements (Continued)

In connection with the issuance of the Series A Preferred Stock and Series B Preferred Stock, the KKR Group Partnerships issued for the benefit of KKR & Co. Inc. corresponding series of preferred units with economic terms that mirror those of the Series A Preferred Stock and Series B Preferred Stock, as applicable.

Share Repurchase Program

On May 3, 2018, KKR increased the available amount under its repurchase program to \$500 million, which may be used for the repurchase of its shares of Class A common stock of KKR & Co. Inc. and retirement of equity awards issued pursuant to the Equity Incentive Plan (and any successor equity plan thereto). Under this repurchase program, shares of Class A common stock of KKR & Co. Inc. 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 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. The program does not require KKR to repurchase any specific number of shares of Class A common stock of KKR & Co. Inc., and the program may be suspended, extended, modified or discontinued at any time. During the years ended December 31, 2018 and 2016, approximately 7.5 million and 21.8 million shares of Class A common stock, respectively, were repurchased pursuant to this program. There were no shares of Class A common stock repurchased pursuant to this program during the year ended December 31, 2017. During the year ended December 31, 2018, approximately 1.6 million equity awards were retired pursuant to this program. No equity awards were retired pursuant to this program for the years ended December 31, 2017 or 2016.

Noncontrolling Interests

Noncontrolling interests represent (i) noncontrolling interests in consolidated entities and (ii) noncontrolling interests held by KKR Holdings. There was no impact to Noncontrolling Interests upon Conversion.

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 consolidated funds and certain other entities;
- (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; and
- (v) third parties in KKR's capital markets business line.

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

During the third quarter of 2018, all remaining 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") have exchanged such securities for shares of Class A common stock.

Noncontrolling Interests held by KKR Holdings

Noncontrolling interests held by KKR Holdings include economic interests held by principals indirectly in the KKR Group Partnership Units. 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. Inc. and are borne by KKR Holdings.

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Notes to Consolidated Financial Statements (Continued)

The following tables present the calculation of total noncontrolling interests.

	For the Year Ended December 31, 2018		
	Noncontrolling Interests in Consolidated Entities	Noncontrolling Interests Held by KKR Holdings	Total Noncontrolling Interests
Balance at the beginning of the period	\$8,072,849	\$ 4,793,475	\$ 12,866,324
Net income (loss) attributable to noncontrolling interests ⁽¹⁾	796,183	561,052	1,357,235
Other comprehensive income (loss), net of tax ⁽²⁾	(18,512)	(12,559)	(31,071)
Exchange of KKR Holdings Units to Class A Common Stock and Other ⁽³⁾	(52,585)	(567,309)	(619,894)
Equity-based and other non-cash compensation	—	100,632	100,632
Capital contributions	4,357,219	2,396	4,359,615
Capital distributions	(2,763,416)	(252,239)	(3,015,655)
Changes in consolidation	593,172	—	593,172
Balance at the end of the period	\$ 10,984,910	\$ 4,625,448	\$ 15,610,358

	For the Year Ended December 31, 2017		
	Noncontrolling Interests in Consolidated Entities	Noncontrolling Interests Held by KKR Holdings	Total Noncontrolling Interests
Balance at the beginning of the period	\$6,252,565	\$ 4,293,337	\$ 10,545,902
Net income (loss) attributable to noncontrolling interests ⁽¹⁾	676,744	791,021	1,467,765
Other comprehensive income (loss), net of tax ⁽²⁾	9,192	21,904	31,096
Exchange of KKR Holdings Units to Class A Common Stock and Other ⁽³⁾	(50,120)	(238,941)	(289,061)
Equity-based and other non-cash compensation	—	141,727	141,727
Capital contributions	3,116,889	3,028	3,119,917
Capital distributions	(1,890,232)	(235,610)	(2,125,842)
Changes in consolidation	(1,682)	—	(1,682)
Transfers of interests under common control and Other	(40,507)	17,009	(23,498)
Balance at the end of the period	\$8,072,849	\$ 4,793,475	\$ 12,866,324

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

⁽²⁾ With respect to noncontrolling interests held by KKR Holdings, 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 and other exchangeable securities exchanged for KKR & Co. Inc. Class A common stock during the reporting period. The exchange agreement with KKR Holdings provides for the exchange of KKR Group Partnership Units held by KKR Holdings for KKR & Co. Inc. Class A common stock.

Net income (loss) attributable to each of KKR & Co. Inc. Class A common stockholders and KKR Holdings, with the exception of certain tax assets and liabilities that are directly allocable to KKR & Co. Inc., is attributed based on the percentage of the weighted average KKR Group Partnership Units directly or indirectly held by KKR & Co. Inc. and KKR Holdings, each of which directly or indirectly 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. Inc. Class A common stock pursuant to the exchange agreement and (iii) the

contribution of certain expenses borne entirely by KKR associated with the Equity Incentive Plan, equity allocations shown in the consolidated statement of changes in equity differ from their respective pro rata ownership interests in KKR's net assets.

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Notes to Consolidated Financial Statements (Continued)

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

	For the Years Ended December 31,		
	2018	2017	2016
Net income (loss)	\$2,450,946	\$2,560,042	\$950,664
Less: Net income (loss) attributable to Redeemable Noncontrolling Interests	(37,352)	73,972	(8,476)
Less: Net income (loss) attributable to Noncontrolling Interests in consolidated entities	796,183	676,744	436,955
Less: Preferred Stock Dividends	33,364	33,364	22,235
Plus: Income tax expense (benefit) attributable to KKR & Co. Inc.	(229,232)	150,812	(18,937)
Less: Gain from remeasurement of tax receivable agreement liability attributable to KKR & Co. Inc. ⁽¹⁾	—	67,221	—
Net income (loss) attributable to KKR & Co. Inc. Class A Common Stockholders and KKR Holdings	\$ 1,429,519	\$ 1,859,553	\$ 481,013

Net income (loss) attributable to Noncontrolling Interests held by KKR Holdings \$561,052 \$791,021 \$212,878

(1) Represents the impacts of the remeasurement of the tax receivable agreement which arises from changes in the associated deferred tax balance, including the impacts related to the 2017 Tax Act.

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 consolidated statements of financial condition and presented as Net Income (Loss) Attributable to Redeemable Noncontrolling Interests in the accompanying consolidated statements of operations. There was no impact to Redeemable Noncontrolling Interests upon Conversion.

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 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 Stockholders' Equity in the accompanying consolidated statements of financial condition as noncontrolling interests.

The following table presents the rollforward of Redeemable Noncontrolling Interests:

	For the Year Ended December 31, 2018
Balance at the beginning of the period	\$610,540
Net income (loss) attributable to Redeemable Noncontrolling Interests	(37,352)
Capital contributions	565,553
Capital distributions	(16,100)
Balance at the end of the period	\$ 1,122,641

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Notes to Consolidated Financial Statements (Continued)

Transfer of Interests Under Common Control and Other

On March 30, 2017, KKR's Indian capital markets and credit asset management businesses were reorganized 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 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 consolidated financial statements.

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

16. COMMITMENTS AND CONTINGENCIES

Funding Commitments

As of December 31, 2018, KKR had unfunded commitments consisting of \$5,274.0 million to its active 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 business line and (ii) underwriting transactions, debt financing, and syndications in KKR's Capital Markets business line. As of December 31, 2018, these commitments amounted to \$370.5 million and \$663.7 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 business line are shown without reflecting arrangements that may reduce the actual amount of contractual commitments shown occurring after December 31, 2018. KKR's capital markets business has an arrangement with a third party, which reduces its risk when underwriting certain debt transactions, and thus our unfunded commitments as of December 31, 2018 are reduced to reflect the amount to be funded by such third party. In the case of purchases of investments or assets in KKR's Principal Activities business line, 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.

Non-cancelable Operating Leases

KKR's non-cancelable operating leases consist of leases of office space around the world. There are no material rent holidays, contingent rent, rent concessions or leasehold improvement incentives associated with any of these property leases. In addition to base rentals, certain lease agreements are subject to escalation provisions and rent expense is recognized on a straight line basis over the term of the lease agreement.

As of December 31, 2018, the approximate aggregate minimum future lease payments, net of sublease income, required on the operating leases are as follows:

2019	\$50,649
2020 - 2021	69,263
2022 - 2023	29,687
2024 and thereafter	76,332
Total minimum payments required	\$225,931

Explanation of Responses:

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Notes to Consolidated Financial Statements (Continued)

Contingent Repayment Guarantees

The partnership documents governing KKR's carry-paying investment funds and vehicles 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. As of December 31, 2018, no carried interest was subject to this clawback obligation, assuming that all applicable carry-paying funds were liquidated at their December 31, 2018 fair values. Had the investments in such funds been liquidated at zero value, the clawback obligation would have been approximately \$2.0 billion. Carried interest is recognized in the 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 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 and for certain investment vehicles that KKR manages. 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 hedge fund partnership 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.

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Notes to Consolidated Financial Statements (Continued)

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. The defendants' motion to dismiss was denied in November 2018.

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 or fines 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, unsupported, 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.

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Notes to Consolidated Financial Statements (Continued)

17. QUARTERLY FINANCIAL DATA (UNAUDITED)

	For the Three Months Ended,			
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Statement of Operations Data:				
Total Revenues	\$472,606	\$ 971,620	\$ 1,129,666	\$ (178,056)
Total Expenses	436,601	675,050	740,090	237,736
Total Investment Income (Loss)	584,530	1,330,786	833,288	(798,115)
Income (Loss) Before Taxes	620,535	1,627,356	1,222,864	(1,213,907)
Income Tax Expense / (Benefit)	17,641	60,960	(129,405)	(143,294)
Net Income (Loss)	602,894	1,566,396	1,352,269	(1,070,613)
Less: Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	25,674	(18,016)	12,236	(57,246)
Less: Net Income (Loss) Attributable to Noncontrolling Interests	398,777	895,690	691,494	(628,726)
Net Income (Loss) Attributable to KKR & Co. Inc.	178,443	688,722	648,539	(384,641)
Less: Series A Preferred Stock Dividends	5,822	5,822	5,822	5,822
Less: Series B Preferred Stock Dividends	2,519	2,519	2,519	2,519
Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders	\$ 170,102	\$ 680,381	\$ 640,198	\$ (392,982)
Net Income (Loss) Attributable to KKR & Co. Inc. Per Share of Class A Common Stock				
Basic	\$0.36	\$ 1.33	\$ 1.22	\$ (0.74)
Diluted	\$0.32	\$ 1.24	\$ 1.17	\$ (0.74)
Weighted Average Shares of Class A Common Stock Outstanding				
Basic	487,704,838	10,586,631	525,240,214	532,266,521
Diluted	535,918,275	148,745,498	545,672,953	532,266,521

	For the Three Months Ended,			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Statement of Operations Data:				
Total Revenues	\$767,755	\$ 1,015,800	\$ 749,652	\$ 1,024,073
Total Expenses	540,014	629,728	530,247	636,703
Total Investment Income (Loss)	610,695	500,990	177,953	274,142
Income (Loss) Before Taxes	838,436	887,062	397,358	661,512
Income Tax Expense / (Benefit)	40,542	18,538	18,420	146,826
Net Income (Loss)	797,894	868,524	378,938	514,686
Less: Net Income (Loss) Attributable to Redeemable Noncontrolling Interests	20,933	22,387	20,876	9,776
Less: Net Income (Loss) Attributable to Noncontrolling Interests	509,277	432,150	196,158	330,180
Net Income (Loss) Attributable to KKR & Co. Inc.	267,684	413,987	161,904	174,730
Less: Series A Preferred Stock Dividends	5,822	5,822	5,822	5,822
Less: Series B Preferred Stock Dividends	2,519	2,519	2,519	2,519
Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders	\$ 259,343	\$ 405,646	\$ 153,563	\$ 166,389
Net Income (Loss) Attributable to KKR & Co. Inc. Per Share of Class A Common Stock				

Explanation of Responses:

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Basic	\$0.57	\$0.87	\$ 0.33	\$ 0.35
Diluted	\$0.52	\$0.81	\$ 0.30	\$ 0.32
Weighted Average Shares of Class A Common Stock				
Outstanding				
Basic	453,695,846	466,170,025	471,758,886	481,165,742
Diluted	496,684,340	501,177,423	506,873,177	520,156,583

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18. SUBSEQUENT EVENTS

Common Stock Dividend

A dividend of \$0.125 per share of Class A common stock of KKR & Co. Inc. was announced on February 1, 2019, and will be paid on February 26, 2019 to Class A common stockholders of record as of the close of business on February 11, 2019. KKR Holdings will receive its pro rata share of the distribution from the KKR Group Partnerships.

Preferred Stock Dividend

A dividend of \$0.421875 per share of Series A Preferred Stock has been declared as announced on February 1, 2019 and set aside for payment on March 15, 2019 to holders of record of Series A Preferred Stock as of the close of business on March 1, 2019.

A dividend of \$0.406250 per share of Series B Preferred Stock has been declared as announced on February 1, 2019 and set aside for payment on March 15, 2019 to holders of record of Series B Preferred Stock as of the close of business on March 1, 2019.

Equity Incentive Plan

On January 28, 2019, common stockholders of KKR & Co. Inc. approved the KKR & Co. Inc. 2019 Equity Incentive Plan (our "New Equity Incentive Plan"). Our New Equity Incentive Plan will become effective on March 29, 2019.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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 December 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 December 31, 2018, our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) is a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by the board of directors, management and other personnel, 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 and includes those policies and procedures that:

• Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

• Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

• Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2018. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework that was issued in 2013. Based on its assessment, our management has concluded that, as of December 31, 2018, our internal control over financial reporting is effective.

Explanation of Responses:

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 fourth quarter of 2018 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Attestation Report of the Independent Registered Public Accounting Firm

Deloitte & Touche LLP, our independent registered public accounting firm that audited our consolidated financial statements included in this Annual Report, has issued its attestation report on our internal control over financial reporting, which is included in Item 8. Financial Statements and Supplementary Data.

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ITEM 9B. OTHER INFORMATION

We are providing the following supplemental information about after-tax economic net income (loss) ("ENI") on a voluntary basis for comparability purposes. ENI is a measurement of the operating and investment earnings of KKR including mark-to-market gains (losses) that had been used in periods prior to the second quarter of 2018. ENI is calculated as after-tax distributable earnings, plus unrealized carried interest and unrealized investment income, less unrealized performance income compensation and non-current income taxes.

The following reconciles after-tax distributable earnings and ENI to GAAP Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders for the years ended December 31, 2018, 2017, and 2016:

	Year Ended		
	December 31, 2018	December 31, 2017	December 31, 2016
	(\$ in thousands)		
After-tax Distributable Earnings	\$1,597,240	\$ 1,355,600	\$1,341,469
Add: Unrealized Carried Interest	(756,467)	600,242	(420,372)
Add: Net Unrealized Gains (Losses)	1,043,912	395,358	(584,423)
Deduct: Unrealized Performance Income Compensation	(295,794)	247,601	(161,510)
Deduct: Non-current Income Taxes ⁽¹⁾	(38,300)	77,839	(77,441)
Add: Non-recurring Items ⁽²⁾	(729,425)	—	—
ENI	1,489,354	2,025,760	575,625
Deduct: Net Income (Loss) Attributable to Noncontrolling Interests held by KKR Holdings L.P.	561,052	791,021	212,878
Deduct: Equity-based and Other Compensation - KKR Holdings L.P.	100,632	141,727	78,663
Deduct: Amortization of Intangibles and Other, net	26,116	122,870	(17,267)
Add: Gain from remeasurement of tax receivable agreement liability	—	67,221	—
Add: Provision for Income Tax (Benefit) - ENI	113,548	171,904	10,282
Deduct: Income Tax Expense (Benefit) - GAAP	(194,098)	224,326	24,561
Deduct: One-time Non-recurring Costs ⁽³⁾	11,501	—	—
GAAP Net Income (Loss) Attributable to KKR & Co. Inc. Class A Common Stockholders	\$1,097,699	\$ 984,941	\$287,072

(1) Excludes the impact of the estimated tax benefit resulting from the partial step-up in the tax basis of certain assets in connection with the Conversion.

(2) Represents losses on certain investments which were realized in the second quarter of 2018 in advance of the Conversion.

(3) Represents non-recurring costs in connection with the Conversion.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table presents certain information concerning our board of directors and executive officers.

Name	Age	Position(s)
Henry R. Kravis	75	Co-Chief Executive Officer, Co-Chairman and Director
George R. Roberts	75	Co-Chief Executive Officer, Co-Chairman and Director
Joseph Y. Bae	47	Co-President, Co-Chief Operating Officer and Director
Scott C. Nuttall	46	Co-President, Co-Chief Operating Officer and Director
Mary N. Dillon	57	Director
David C. Drummond	55	Director
Joseph A. Grundfest	67	Director
John B. Hess	64	Director
Xavier B. Niel	61	Director
Patricia F. Russo	66	Director
Thomas M. Schoewe	66	Director
Robert W. Scully	69	Director
William J. Janetschek	56	Chief Financial Officer
David J. Sorkin	59	General Counsel and Secretary

Henry R. Kravis co-founded KKR in 1976 and is our Co-Chairman and Co-Chief Executive Officer. He is actively involved in managing the firm and serves on each of the regional Private Equity Investment Committees. Mr. Kravis currently serves on the boards of First Data Corporation and ICONIQ Capital, LLC. He also serves as a director, chairman emeritus, or trustee of several cultural, professional, and educational institutions, including The Business Council, Claremont McKenna College, Columbia Business School (co-chairman), Mount Sinai Hospital, the Partnership for New York City (former chairman), the Partnership Fund for New York City (founder), Rockefeller University (vice chairman), Sponsors for Educational Opportunity (chairman), and the Tsinghua School of Economics and Management in China. He earned a B.A. from Claremont McKenna College in 1967 and an M.B.A. from Columbia Business School in 1969. Mr. Kravis has more than four decades of experience financing, analyzing, and investing in public and private companies, as well as serving on the boards of a number of KKR portfolio companies. As our co-founder and Co-Chief Executive Officer, Mr. Kravis has an intimate knowledge of KKR's business, which allows him to provide insight into various aspects of our business and is of significant value to the board of directors. Mr. Kravis and Mr. Roberts are first cousins.

George R. Roberts co-founded KKR in 1976 and is our Co-Chairman and Co-Chief Executive Officer. He is actively involved in managing the firm and serves on regional Private Equity Investment Committees. Mr. Roberts serves as a director or trustee of several cultural and educational institutions, including Claremont McKenna College. He is also founder and chairman of the board of directors of REDF, a San Francisco nonprofit organization. He earned a B.A. from Claremont McKenna College in 1966 and a J.D. from the University of California (Hastings) Law School in 1969. Mr. Roberts has more than four decades of experience financing, analyzing, and investing in public and private companies, as well as serving on the boards of a number of KKR portfolio companies. As our co-founder and Co-Chief Executive Officer, Mr. Roberts has an intimate knowledge of KKR's business, which allows him to provide insight into various aspects of our business and is of significant value to the board of directors. Mr. Roberts and Mr. Kravis are first cousins.

Joseph Y. Bae joined KKR in 1996 and is our Co-President and Co-Chief Operating Officer. Mr. Bae has been a member of the board of directors since July 16, 2017. Prior to July 2017, when he was promoted to his current position, he was the managing partner of KKR Asia and the global head of KKR's infrastructure and energy real asset businesses. He is the chairman of KKR's Asia and Americas Private Equity Investment Committees and serves on KKR's European Private Equity, Growth Equity, Energy, Infrastructure, Real Estate and Special Situations Investment Committees. He is also a member of KKR's Inclusion and Diversity Council. Prior to KKR, Mr. Bae worked for Goldman Sachs & Co. in its principal investment area, where he was involved in a broad range of merchant banking transactions. He has a B.A., magna cum laude, from Harvard College. Mr. Bae serves on the boards of a number of non-profit educational and cultural institutions including, as a trustee for

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Phillips Andover Academy, the Global Advisory Council at Harvard University, a board member of the Lincoln Center and the Asia Society. Mr. Bae's intimate knowledge of KKR's business and operations and his experience in a variety of senior leadership roles within KKR provide significant value to the board of directors.

Scott C. Nuttall joined KKR in 1996 and is our Co-President and Co-Chief Operating Officer. Mr. Nuttall has been a member of the board of directors since July 16, 2017. Prior to July 2017, when he was promoted to his current position, he was the head of KKR's global capital and asset management group, where he was responsible for overseeing KKR's Public Markets and distribution businesses, which include credit, capital markets, hedge funds and its Client and Partner Group. Mr. Nuttall also serves on KKR's balance sheet committee and the firm's Inclusion and Diversity Council. He is currently a member of the board of directors of First Data Corporation. Prior to joining KKR, he was with the Blackstone Group where he was involved in numerous merchant banking and merger and acquisition transactions. He received a B.S., summa cum laude, from the University of Pennsylvania. He has served on the board of various non-profit institutions with a particular focus on education, most recently as co-chairman of Teach for America - New York. Mr. Nuttall's intimate knowledge of KKR's business and operations and his experience in a variety of senior leadership roles within KKR provide significant value to the board of directors.

Mary N. Dillon has been a member of the board of directors since September 6, 2018. Ms. Dillon has served as Chief Executive Officer and a member of the board of directors of Ulta Beauty, Inc., a beauty products retailer, since July 2013. Prior to joining Ulta Beauty, she served as President and Chief Executive Officer and member of the board of directors of United States Cellular Corporation, a provider of wireless telecommunication services, beginning in June 2010. Prior to joining U.S. Cellular, Ms. Dillon served as Global Chief Marketing Officer and Executive Vice President of McDonald's Corporation from 2005 to 2010, where she led its worldwide marketing efforts and global brand strategy. Prior to joining McDonald's, Ms. Dillon held several positions of increasing responsibility at PepsiCo Corporation, including as President of the Quaker Foods division from 2004 to 2005 and as Vice President of Marketing for Gatorade and Quaker Foods from 2002 to 2004. Ms. Dillon served as a director of Target Corporation from 2007 to 2013 and as a member of its compensation committee from 2009 to 2013. Ms. Dillon joined the board of directors of Starbucks in January 2016 and serves as chair of its compensation and management development committee, and as a member of the nominating and corporate governance committee. Ms. Dillon provides the board with valuable knowledge and insights she gained through her various senior management and leadership roles, including as the chief executive officer of a publicly traded company. In addition, with over 30 years of experience in consumer-driven businesses, Mr. Dillon brings to the Board her extensive operational and marketing expertise in the retail industry.

David C. Drummond has been a member of the board of directors since March 14, 2014. Mr. Drummond has served as the senior vice president, corporate development of Alphabet Inc. (and its predecessor Google Inc.) since January 2006, as its chief legal officer since December 2006 and as its secretary since 2002. Previously, he served as Google Inc.'s vice president, corporate development and general counsel since February 2002 to December 2005. Prior to joining Google Inc., from July 1999 to February 2002, Mr. Drummond served as chief financial officer of SmartForce, an educational software applications company. Prior to that, Mr. Drummond was a partner at the law firm of Wilson Sonsini Goodrich & Rosati. Mr. Drummond holds a Juris Doctor degree from Stanford Law School and a Bachelor of Arts degree in history from Santa Clara University. Mr. Drummond provides significant value to the oversight and development of our business through his management and leadership roles at a publicly-traded global technology business and his insight into legal developments affecting global enterprises.

Joseph A. Grundfest has been a member of the board of directors since July 15, 2010. Mr. Grundfest has been a member of the faculty of Stanford Law School since 1990, where he is the William A. Franke Professor of Law and Business. He is also senior faculty of the Arthur and Toni Rembe Rock Center for Corporate Governance at Stanford University; co-director of Directors' College, a venue for the continuing professional education of directors of publicly

traded corporations; and co-founder of Financial Engines, Inc., a provider of services and advice to participants in employer-sponsored retirement plans, where he has served as a director since its inception in 1996 until 2018. Prior to joining the Stanford Law School faculty, Mr. Grundfest was a Commissioner of the SEC from 1985 to 1990. He holds a B.A. in Economics from Yale University and a J.D. from Stanford Law School. Mr. Grundfest's knowledge and expertise in capital markets, corporate governance, and securities laws provides significant value to the oversight and development of our business.

John B. Hess has been a member of the board of directors since July 28, 2011. Mr. Hess has been the chief executive officer of Hess Corporation since 1995 and a director since 1978. He was also director of Dow Chemical Co. from 2006 to 2013. He serves as a member of the Business Council, the Trilateral Commission and the Council on Foreign Relations and on the executive committee of the American Petroleum Institute and previously served on the Secretary of Energy Advisory Board Quadrennial Review Task Force. Mr. Hess is a member of the board of trustees at the Center for Strategic and International Studies, Mount Sinai Hospital, the Lincoln Center for the Performing Arts and the Dean's Advisors at Harvard Business School, and chairs The Harvard Business School Campaign. Mr. Hess earned a B.A. from Harvard College and an M.B.A. from

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Harvard Business School. Mr. Hess provides significant value to the oversight and development of our business through his management and leadership roles at a global energy business, and his involvement with major businesses and public policy organizations also provides valuable perspectives for our business.

Xavier B. Niel has been a member of the board of directors since March 1, 2018. Mr. Niel is the founder, deputy chairman of the board and chief strategy officer of Iliad SA, a French telecommunications company that owns the internet provider Free and the low-cost mobile operator Free Mobile. Mr. Niel also owns majority stakes in telecom operators in various countries. He has been involved in the data communications, internet and telecommunications industry since the late 1980s. In 2010, Mr. Niel founded Kima Ventures SAS, which is an active early-stage investor. In 2013, he created 42, a school that trains computer specialists in France and the United States, and in 2017, he opened Station-F, a startup campus located in Paris. Mr. Niel brings significant value to the board due to his extensive experience as an entrepreneur who founded multiple companies, in addition to his leadership and technology experience.

Patricia F. Russo has been a member of the board of directors since April 15, 2011. Ms. Russo served as chief executive officer of Alcatel-Lucent from 2006 to 2008. Prior to the merger of Alcatel and Lucent in 2006, she served as chairman of Lucent Technologies, Inc. from 2003 to 2006, and as president and chief executive officer from 2002 to 2006. Before rejoining Lucent in 2002, Ms. Russo was president and chief operating officer of Eastman Kodak Company from March 2001 to December 2001. She has served as the chairman of Hewlett Packard Enterprise Company since 2015 and as a director of, Merck & Co., Inc. since 2009 and General Motors Company since 2009. Prior to its merger with Merck in 2009, Ms. Russo served as a director of Schering-Plough since 1995, and she served as a director of Hewlett Packard Company from 2011 to November 2015. From November 2016 to May 2018, Ms. Russo also served on the board of Arconic Inc., which separated from Alcoa Inc., where Ms. Russo served as a director from 2008 to November 2016. She graduated from Georgetown University with a bachelor's degree in political science and history, and obtained an Advanced Management Degree from Harvard Business School's Advanced Management Program. Ms. Russo's management and leadership experience as chief executive officer of complex global companies as well as her experience with corporate strategy, mergers and acquisitions, and sales and marketing brings important expertise to the oversight and development of our business. Ms. Russo also brings extensive experience in corporate governance as a member of boards and board committees of other public companies.

Thomas M. Schoewe has been a member of the board of directors since March 14, 2011. Mr. Schoewe was executive vice president and chief financial officer for Wal-Mart Stores, Inc., a position he held from 2000 to 2010, and was employed by Walmart in a transitional capacity to January 2011. Prior to his employment at Walmart, Mr. Schoewe served as senior vice president and chief financial officer for Black and Decker Corp., a position he held from 1993 to 1999. Prior to that, he served for four years as Black and Decker's vice president of finance. He previously held the position of vice president of business planning and analysis. He joined Black and Decker in 1986 after serving at Chicago-based Beatrice Companies, where he was chief financial officer and controller of Beatrice Consumer Durables, Inc. He has served on the board of directors of Northrop Grumman Corporation and General Motors Company since 2011. He also serves on the board of the LPGA. From 2001 to May 2012, he served on the board of directors of PulteGroup Inc., which merged with Centex Corporation in 2009 and previously served on the Centex board. Mr. Schoewe graduated from Loyola University of Chicago with a bachelor's of business administration degree in finance. Mr. Schoewe's experience in financial reporting, accounting and controls, and business planning and analysis, together with his significant international experience as an executive of large multinational companies, brings important expertise to the oversight and development of our business. Mr. Schoewe also has experience with large-scale, transformational information technology implementations at Wal-Mart and Black and Decker.

Robert W. Scully has been a member of the board of directors since July 15, 2010. Mr. Scully was a member of the Office of the Chairman of Morgan Stanley from 2007 until his retirement in 2009, where he had previously been co-president, chairman of global capital markets and vice chairman of investment banking. Prior to joining Morgan Stanley in 1996, he served as a managing director at Lehman Brothers and at Salomon Brothers. Mr. Scully has served as a director of Zoetis Inc. since June 2013, Chubb Limited since January 2016, and prior to its acquisition of Chubb Limited, a director of ACE Limited from May 2014 to January 2016, and UBS Group AG since May 2016. Previously, he was a director of Bank of America Corporation from August 2009 to May 2013 and a public governor of the Financial Industry Regulatory Authority, Inc. from October 2014 to May 2016. He has also served as a director of GMAC Financial Services and MSCI Inc. He holds an A.B. from Princeton University and an M.B.A. from Harvard Business School. Mr. Scully previously served on the Board of Dean's Advisors of Harvard Business School. Mr. Scully's 35-year career in the financial services industry brings important expertise to the oversight of our business. In addition, his leadership experience with a global financial services company brings an industry perspective to our business development within and outside the United States as well as issues such as talent development, senior client relationship management, strategic initiatives, risk management and audit and financial reporting.

William J. Janetschek joined KKR in 1997 and is our Chief Financial Officer. Mr. Janetschek is also a member of KKR's Balance Sheet Committee, Global Valuation Committee and Risk and Operations Committee. Prior to joining KKR, he was a

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Tax Partner at Deloitte & Touche LLP. He holds a B.S. from St. John's University and an M.S. from Pace University. Mr. Janetschek is actively involved in the community, serving as a sponsor and member of a variety of non-profit organizations including Student Sponsor Partners, St. Brigid Catholic Church and St. John's University.

David J. Sorkin joined KKR in 2007 and is our General Counsel and Secretary. Mr. Sorkin is also a member of KKR's Global Valuation Committee and Risk and Operations Committee. Prior to joining KKR, Mr. Sorkin was a partner with Simpson Thacher & Bartlett LLP. Mr. Sorkin serves as President of the board of directors of New Alternatives for Children. He received a B.A., summa cum laude, from Williams College and a J.D., cum laude, from Harvard Law School.

Independence and Composition of the Board of Directors

Our board of directors consists of twelve directors, eight of whom, Messrs. Drummond, Grundfest, Hess, Niel, Schoewe and Scully and Ms. Dillon and Russo, are independent under NYSE rules relating to corporate governance matters and the independence standards described in our corporate governance guidelines.

Because the Class B Stockholder controls more than 50% of our voting power, we are a "controlled company" within the meaning of the corporate governance standards of the NYSE. Under these standards, a "controlled company" may elect not to comply with certain corporate governance standards, including the requirements (1) that a majority of its board of directors consist of independent directors, (2) that its board of directors have a compensation committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (3) that its board of directors have a nominating and corporate governance committee that is comprised entirely of independent directors with a written charter addressing the committee's purpose and responsibilities. We currently utilize the second and third of these exemptions. See "Risk Factors—Risks Related to Our Common Stock—As a 'controlled company,' we qualify for some exemptions from the corporate governance and other requirements of the NYSE." While we are exempt from NYSE rules relating to board independence, we intend to maintain a board of directors that consists of at least a majority of directors who are independent under NYSE rules. In the event that we cease to be a "controlled company" and our shares of Class A common stock continue to be listed on the NYSE, we will be required to comply with these provisions within the applicable transition periods.

In addition, the board has considered transactions and relationships between KKR and the companies and organizations on whose boards or other similar governing bodies where our independent directors also serve or where our independent directors serve as executive officers, including investments made by such companies in the portfolio companies in which KKR or its funds are invested. It was determined that none of these transactions or relationships adversely impacted the independence of our independent directors.

Board Committees

Our board of directors has four standing committees: an audit committee, a conflicts committee, a nominating and corporate governance committee and an executive committee that operate pursuant to written charters as described below. Because we are a "controlled company," our board is not required by NYSE rules to establish a compensation committee or a nominating and corporate governance committee or to meet certain other substantive NYSE corporate governance requirements. While the board has established a nominating and governance committee, we rely on available exemptions concerning the committee's composition and mandate.

Audit Committee

The audit committee consists of Messrs. Grundfest (Chairman), Schoewe and Scully. The purpose of the audit committee is to provide assistance to the board of directors in fulfilling its responsibility with respect to its oversight of: (i) the quality and integrity of our financial statements, including investment valuations; (ii) our compliance with legal and regulatory requirements; (iii) our independent registered public accounting firm's qualifications, independence and performance; and (iv) the performance of our internal audit function. The members of the audit committee meet the independence standards and financial literacy requirements for service on an audit committee of a board of directors pursuant to the Exchange Act and NYSE rules applicable to audit committees. Our board of directors has determined that each of Messrs. Grundfest, Schoewe and Scully is an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K. The audit committee has a charter, which is available on our website at www.kkr.com under the "Investor Center" section.

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Conflicts Committee

The conflicts committee consists of Messrs. Drummond, Hess, Schoewe and Scully and Ms. Russo. The conflicts committee is responsible for reviewing specific matters that the board of directors believes may involve a conflict of interest and for enforcing our rights under any of the exchange agreement, the tax receivable agreement, the limited partnership agreement of any KKR Group Partnership, our certificate of incorporation or our bylaws (collectively, the "covered agreements") against KKR Holdings and certain of its subsidiaries and designees, a general partner or limited partner of KKR Holdings, or a person who holds a partnership or equity interest in the foregoing entities. The conflicts committee is also authorized to take any action 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. In addition, the conflicts committee shall approve any amendment to any of the covered agreements that in the reasonable judgment of our board of directors is or will result in a conflict of interest. The conflicts committee will determine if the resolution of any conflict of interest submitted to it is fair and reasonable to us. Any matters approved by the conflicts committee will be conclusively deemed to be fair and reasonable to us and not a breach of any duties that may be owed to our stockholders. In addition, the conflicts committee may review and approve any related person transactions, other than those that are approved pursuant to our related person policy, as described under "Certain Relationships and Related Transactions, and Director Independence—Statement of Policy Regarding Transactions with Related Persons," and may establish guidelines or rules to cover specific categories of transactions. The members of the conflicts committee meet the independence standards under our corporate governance guidelines as required for service on the conflicts committee in accordance with its charter.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee consists of Messrs. Kravis, Roberts and Scully. The nominating and corporate governance committee is responsible for identifying and recommending candidates for appointment to the board of directors and for assisting and advising the board of directors with respect to matters relating to the general operation of the board and corporate governance matters. Mr. Scully meets the independence standards under the rules of the NYSE as required for service on the nominating and corporate governance committee in accordance with its charter.

Executive Committee

The executive committee consists of Messrs. Kravis and Roberts. The purpose of the executive committee is to act, when necessary, in place of the full board of directors during periods in which the board is not in session. The executive committee is authorized and empowered to act as if it were the full board of directors in overseeing our business and affairs, except that it is not authorized or empowered to take actions that have been specifically delegated to other board committees or to take actions with respect to: (i) the declaration of dividends on our Class A common stock; (ii) a merger or consolidation of us with or into another entity; (iii) a sale, lease or exchange of all or substantially all of our assets; (iv) a liquidation or dissolution of us; (v) any action that must be submitted to a vote of the Class B Stockholder's members or our stockholders; or (vi) any action that may not be delegated to a board committee under our certificate of incorporation, our bylaws or the DGCL.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics that applies to our principal executive officers, principal financial officer and principal accounting officer and is available on our website at www.kkr.com under the "Investor Center" section. In accordance with, and to the extent required by the rules and regulations of the SEC, we intend to disclose

Explanation of Responses:

any amendment to or waiver of the Code of Business Conduct and Ethics on behalf of an executive officer or director either on our website or in a Current Report on Form 8-K filing.

Corporate Governance Guidelines

Our board of directors has a governance policy, which addresses matters such as the board of directors' responsibilities and duties, the board of directors' composition and compensation and director independence. The governance guidelines are available on our website at www.kkr.com under the "Investor Center" section.

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Communications to the Board of Directors

The non-management members of our board of directors meet regularly. At each meeting of the non-management members, the non-management directors choose a director to lead the meeting. All interested parties, including any employee or stockholder, may send communications to the non-management members of our board of directors by writing to: Investor Relations, KKR & Co. Inc., 9 West 57th Street, Suite 4200, New York, New York 10019.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than ten percent of a registered class of our equity securities, to file initial reports of ownership and reports of changes in ownership with the SEC and furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on our review of the copies of such reports or written representations from such persons that they were not required to file a Form 5 to report previously unreported ownership or changes in ownership, we believe that, with respect to the fiscal year ended December 31, 2018, such persons complied with all such filing requirements.

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ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy

Our compensation program has three primary objectives: (1) to attract, motivate and retain our employees, (2) to align their interests with those of our stockholders and fund investors and (3) to reinforce our culture and values.

Our employees. Our business is dependent on the services of our employees, including our named executive officers. Among other things, we depend on their ability, where applicable, to find, select and execute investments, manage and improve portfolio company operations, find and develop relationships with fund investors and other sources of capital, find, select and execute capital markets opportunities, and provide other services, and we cannot compete effectively without their continued employment with us. Therefore, it is important that our key employees are compensated in a manner that motivates them to excel consistently and encourages them to remain with the firm.

Alignment of interests. Management equity ownership in the businesses in which we invest has been a guiding principle throughout our firm's history, and we apply that principle to ourselves: every employee of the firm is expected to have an equity interest in KKR. This equity ownership serves to align the interests of our employees with those of our stockholders. In addition, because we invest in and alongside our investment funds and have a carry pool from which we can allocate to our employees 40% or 43%, as applicable, of the carried interest that we generate through our business, we believe that our employees' interests are also aligned with those of our investors in the funds, vehicles and accounts that we manage, which in turn benefits our stockholders.

Culture and values. One of our most important values is our "one-firm" approach with shared responsibility and success, and we also subscribe to a culture of meritocracy and fairness. Therefore, compensation is based on the performance of the firm as a whole as well as on an individual's contributions to the firm. For example, we do not compensate people based merely on an individual's accomplishments in relation to the profits and losses of his or her business unit. In addition, we conduct, at least annually, an evaluation process based on input from a wide range of persons regarding each employee's contribution to the firm, including his or her commitment to the firm's culture and values. We believe that using this kind of an evaluation process also promotes a measure of objectivity as a balance to a single manager's judgment.

We refer to our two Co-Chief Executive Officers (Henry Kravis and George Roberts), our two Co-Presidents/Co-Chief Operating Officers (Joseph Bae and Scott Nuttall), our Chief Financial Officer (William Janetschek) and our General Counsel (David Sorkin) as our "named executive officers." We believe that the elements of compensation discussed below for our named executive officers serve these primary objectives. We are not required to conduct say-on-pay or say-on-frequency votes under the Dodd-Frank Act. However, we intend periodically to review the elements of our compensation, and we may make changes to the compensation structure relating to one or more named executive officers based on the outcome of such reviews from time to time.

KKR Holdings

Each of our named executive officers holds interests in our business through KKR Holdings, which is the entity that indirectly owns all of the outstanding KKR Group Partnership Units that are not allocable to us.

KKR Holdings units are, subject to certain restrictions, exchangeable for shares of our Class A common stock, on a one-for-one basis, and generally cannot be sold to third parties for monetary value unless they are first exchanged for

shares of our Class A common stock. Because KKR Holdings units are exchangeable for shares of our Class A common stock, we believe that our named executive officers' interests are aligned with those of our stockholders.

KKR Holdings, from time to time, receives distributions that are made on KKR Group Partnership Units that are held by it. To the extent such distributions are received on KKR Group Partnership Units that underlie any KKR Holdings units that have satisfied their respective vesting requirements, if any, at the time distributions are declared on the underlying KKR Group Partnership Units, such distributions will be allocated and further distributed to the named executive officers as and when received. To the extent that such distributions are made on KKR Group Partnership Units underlying any KKR Holdings units that have not satisfied all vesting requirements at the time distributions are declared on the underlying KKR Group Partnership Units, such distributions may be allocated or otherwise applied in such amounts and in such manner as our Co-Chief Executive Officers, acting through the general partner of KKR Holdings, may determine. See "—Compensation Elements—Year-End

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Bonus Compensation" for a description of these grants. As of February 12, 2019, approximately 0.6 million KKR Holdings units remain unallocated.

In 2018, our named executive officers received distributions on their vested KKR Holdings units, as well as dividends on shares of Class A common stock they own, and because these distributions and dividends are not considered to be compensation, they have not been reported in the Summary Compensation Table.

Compensation Elements

Base Salary

For 2018, each of our named executive officers was paid an annual salary of \$300,000. We believe that the base salary of our named executive officers should typically not be the most significant component of total compensation. Our Co-Chief Executive Officers determined that this amount was a sufficient minimum base salary for our named executive officers and decided that it should be the same for all named executive officers. We are responsible for funding this base salary.

Year-End Bonus Compensation

Our Co-Chief Executive Officers did not receive any year-end bonus compensation in 2018. They have decided at this time not to receive any bonus from us or from KKR Holdings in excess of distributions payable with respect to their KKR Holdings units. Instead, they have decided that year-end bonus payments for 2018 should be made to our other employees in order to motivate and retain them for the benefit of the firm. See "—Other Compensation" below for certain incidental benefits provided by the firm.

In 2018, our Co-Presidents/Co-Chief Operating Officers, Chief Financial Officer and General Counsel were awarded additional year-end cash compensation as bonus payments that were determined by our Co-Chief Executive Officers. Our Co-Chief Executive Officers made their subjective determinations by assessing our overall performance and the contributions that our Co-Presidents/Co-Chief Operating Officers, Chief Financial Officer and General Counsel made to our development and success, as a firm, during the year. Certain factors that were considered when determining the size of their bonus payments include (i) their respective contributions and accomplishments in 2018 in terms of driving commercial results for the firm, leading and managing people, and living the firm's values; (ii) their respective performance and contributions relative to other senior employees at the firm, (iii) their respective performance and contributions in 2018 as compared to the prior year and (iv) the overall financial performance of the firm in 2018 as compared to the prior year based on certain financial measures considered by management, including but not limited to after-tax distributable earnings. More specifically, in assessing Mr. Bae and Mr. Nuttall's contributions, our Co-Chief Executive Officers considered their services as Co-Presidents/Co-Chief Operating Officers and their day-to-day management of the firm's operations, as well as their joint leadership roles in executing and implementing KKR's strategy in its global private equity, real assets, credit, capital markets and capital raising businesses together with its corporate development and balance sheet initiatives. In assessing Mr. Janetschek's contributions, they considered his service as the Chief Financial Officer and his leadership and oversight of our finance, tax and accounting functions and related operations and his role with respect to strategic initiatives undertaken by the firm. In assessing Mr. Sorkin's contributions, they considered his leadership and oversight of our global legal, compliance, enterprise risk and internal audit functions and his role with respect to the strategic initiatives undertaken by the firm. The size of the cash bonus payments to the named executive officers (other than Messrs. Kravis and Roberts who received none) were higher compared to the prior year, reflecting the firm's financial performance in 2018, in particular with respect to an overall year-over-year increase in revenues across all business lines. No equity-based bonus compensation was granted to the named executive officers as part of their 2018 year-end bonus compensation,

Explanation of Responses:

because it was decided that our senior principals would generally not receive any year-end equity-based bonus for 2018. In making these determinations, our Co-Chief Executive Officers consulted with certain of our senior employees and, with respect to the determinations for our Chief Financial Officer and General Counsel, considered the recommendations by our Co-Presidents/Co-Chief Operating Officers. We believe that the discretion permitted to our Co-Chief Executive Officers permits them to award bonus compensation in an amount they determine to be necessary to motivate and retain these named executive officers. In the 2018 summary compensation table that follows, the amount of stock awards shown for 2018 represents the equity portion of prior year's bonus compensation that was approved and granted in the first quarter of 2018.

The cash bonus amounts paid to our Co-Presidents/Co-Chief Operating Officers, our Chief Financial Officer and our General Counsel for 2018 are reflected in the Bonus column of the 2018 Summary Compensation Table below. Although no deferred equity bonus or additional equity compensation awards were made to our named executive officers in connection with 2018 year-end bonus compensation, these equity awards may become a component of our annual year-end bonus determination for our named executive officers in the future.

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Carried Interest

We allocate 40% or 43%, as applicable, of the carried interest that we earn to a carry pool, from which our employees and selected other individuals are eligible to receive a carried interest allocation. The percentage of carried interest allocable to the carry pool may be amended with the approval of a majority of our independent directors. Carry pool allocations for the named executive officers are made by first determining a total dollar value for the named executive officer's interest in the carry pool. Due to their unique status as co-founders of our firm, our Co-Chief Executive Officers determine their own allocation from the carry pool. To make this total dollar value determination for the other named executive officers, our Co-Chief Executive Officers take into consideration the executive officer's involvement with investments and impact on the portfolio, the size of the executive officer's bonus as well as the recommendations by our Co-Presidents/Co-Chief Operating Officers and other factors similar to those considered when determining the size of the bonus, as described under "—Year-End Bonus Compensation." However, the total dollar value available to be allocated to the named executive officers and other employees is limited by the total amount of investments made by our investment funds during the fiscal year, and executive officers and other employees may not be allocated any dollar value of carry in any given year. For our older funds, carry pool allocations were determined based on a percentage applied on an investment-by-investment basis. After a total dollar value, if any, for each named executive officer is determined, such dollar value was then divided by the total allocable dollar value of investments made by our funds for the year, which yielded a certain percentage for the named executive officer. This percentage was then applied consistently to each investment made during the year. Because the size of each investment was different, the nominal amount of the carry pool allocation differed by investment, although the percentage applied to each investment was consistent. For our more recent funds, carry pool allocations are determined based on a percentage applied on a fund-by-fund basis. The dollar value, if any, for each named executive officer is determined and then allocated to the applicable funds, and such dollar value is then divided by the total allocable dollar value of investments made by that fund for the year to yield a percentage for that particular fund. If carry is paid prior to the end of a fund's investment period, this percentage is applied at that time. At the end of the investment period, an adjustment would be made to account for any difference in percentages applied at the times carry was paid during the investment period (taking vesting into account) and the percentage determined for a particular fund based on the total dollar values allocated to the named executive officer for such fund divided by the total allocable dollars invested during the entire investment period of such fund.

A portion of the carried interest that is available for allocation to our employees is not immediately allocated when it becomes available and is instead reserved. This reserved carried interest is later allocated to a discrete number of employees when it is determined that they deserve additional carried interest allocations based on their performance or pursuant to a matching program based on personal commitments made to an investment or a fund. The carried interest allocated to the carry pool is maintained and administered by KKR Associates Holdings L.P., which, similar to KKR Holdings, is not a subsidiary of ours. Allocations are determined by our Co-Chief Executive Officers acting through the general partner of KKR Associates Holdings L.P.

Carried interest, if any, from the carry pool in respect of any particular investment or fund is only paid in cash 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. To the extent any "clawback" obligation is triggered, carried interest previously distributed by the fund would have to be returned to such fund, thereby reducing the named executive officer's overall compensation for any such year. A portion of certain carried interest payable is generally not distributed to the recipient and is instead held in escrow in the recipient's name in order to enhance the recipient's ability to satisfy any future clawback obligation. Because the amount of carried interest payable is directly tied to the realized performance of the underlying investments, we believe this fosters a

strong alignment of interests among the investors in those funds and the named executive officers, and thus benefits our stockholders. In addition, several of our competitors use participation in carried interest as an important compensation element, and we believe that we must do the same in order to attract and retain the most qualified personnel.

Participation in our carry pool for our employees, including our named executive officers, is subject only to service-based vesting with certain exceptions, including acceleration upon death or disability. In general, the vesting for carry pool allocations is annual over a four-year period (other than for our Co-Chief Executive Officers). Vesting serves as an employment retention mechanism and enhances the alignment of interests between a participant in our carry pool and the firm as well as the limited partners in our investment funds. Due to their status as co-founders of our firm, our Co-Chief Executive Officers are typically completely vested in their carry pool allocations upon grant.

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Carry pool allocations after December 31, 2018, whether or not vested, are subject to forfeiture if the recipient violates his or her confidentiality and restrictive covenant agreement. See "—Narrative Disclosure to Summary Compensation Table and Grants of Plan Based Awards—Terms of Confidentiality and Restrictive Covenant Agreements."

Other Compensation

Our Co-Chief Executive Officers are reimbursed by us for the use of a car and driver, and we pay for the compensation of certain personnel who administer personal matters for them. We believe that these benefits are appropriate in light of the time that they spend on our business, the limited compensation paid by us for their services and their unique status as co-founders of our firm. In addition, we also pay for certain tax preparation fees for our named executive officers and, starting in 2019, for financial planning services for certain of our named executive officers.

Minimum Retained Ownership

While employed by us, unless waived in whole or in part, each of our named executive officers is required to hold at least 25% of the cumulative amount of KKR Holdings units that have satisfied the vesting conditions during the duration of his employment with the firm. In addition, unless waived in whole or in part, each of our named executive officers may be required, on a grant by grant basis, to hold shares of Class A common stock equivalents of 15% of the cumulative restricted stock units granted under our Equity Incentive Plan or our New Equity Incentive Plan that have satisfied the applicable vesting condition during the duration of his employment with the firm.

Compensation and Risk

Our compensation program includes elements that we believe discourage excessive risk-taking and align the compensation of our employees with the long-term performance of the firm. For example, other than certain equity that either immediately vested as part of the grants to all employees or our founders or that were made in exchange for the contribution of assets, in each case in connection with the consummation of the KPE Transaction in October 2009 or otherwise, a significant majority of the equity awards granted to our employees are subject to a multi-year vesting conditions, one- and two-year post-vesting transfer restriction periods and/or a minimum retained ownership requirement. Because our equity awards have multi-year vesting provisions, the actual amount of compensation realized by the recipient will be tied to the long-term performance of our Class A common stock. Pursuant to our internal policies, our employees are not permitted to buy or sell derivative securities, including for hedging purposes, or to engage in short-selling to hedge their economic risk of ownership. In addition, we only make cash payments of carried interest to our employees when profitable investments have been realized and after sufficient cash has been distributed to the investors in our funds. Moreover, the general partner of a fund is required to return carried interest distributions to the fund due to, for example, underperformance by the relevant fund subsequent to the payment of such carried interest. Accordingly, the employees would be subject to a "clawback," i.e., be required to return carried interest payments previously made, all of which further discourages excessive risk-taking by our personnel.

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Summary Compensation Table

The following table presents summary information concerning compensation that was paid for services rendered by our named executive officers during the fiscal years ended December 31, 2016, 2017 and 2018.

In 2016, 2017 and 2018, our named executive officers received distributions based on their vested KKR Holdings units or dividends on shares of Class A common stock they hold. Because these distributions and dividends are not considered to be compensation, they are not reflected as compensation in the table below. There are certain contractual arrangements we entered into with KKR Holdings at the time of the KPE Transaction in October 2009 and thereafter, including a tax receivable agreement, which relate to payments to our named executive officers that are not compensatory and are described in "Certain Relationships and Related Transactions, and Director Independence."

Carried interest distributions to our named executive officers in respect of the carry pool for the years ended December 31, 2016, 2017 and 2018 are reflected in the All Other Compensation column in the 2018 Summary Compensation Table below.

2018 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
Henry R. Kravis Co-Chief Executive Officer	2018	300,000	—	—	56,217,088 ⁽⁴⁾	56,517,088
	2017	300,000	—	44,650,000	68,484,271	113,434,271
	2016	300,000	—	—	63,541,599	63,841,599
George R. Roberts Co-Chief Executive Officer	2018	300,000	—	—	56,233,435 ⁽⁵⁾	56,533,435
	2017	300,000	—	44,650,000	68,761,704	113,711,704
	2016	300,000	—	—	63,637,400	63,937,400
Joseph Y. Bae Co-President and Chief Operating Officer	2018	300,000	9,000,000	5,872,442	21,168,222 ⁽⁶⁾	36,340,664
	2017	300,000	7,385,000	121,302,000	14,919,102	143,906,102
	2018	300,000	9,000,000	5,872,442	21,491,798 ⁽⁶⁾⁽⁷⁾	36,664,240

Explanation of Responses:

Scott C. Nuttall (8) Co-President and Co-Chief Operating Officer	2017	300,000	7,385,000	121,302,000	15,364,186		144,351,186
William J. Janetschek Chief Financial Officer	2018	300,000	2,950,000	1,257,647	9,378,133	(6)	13,885,780
	2017	300,000	2,747,500 ⁽¹⁾	967,419	6,655,362		10,670,281
	2016	300,000	2,455,000 ⁽¹⁾	7,813,846	5,196,063		15,764,909
David J. Sorkin General Counsel	2018	300,000	2,950,000	1,257,647	4,607,770	(6)	9,115,417
	2017	300,000	2,747,500 ⁽¹⁾	967,419	3,389,709		7,404,628
	2016	300,000	2,455,000 ⁽¹⁾	7,841,425	1,695,934		12,292,359

Represents distributions received by KKR Holdings with respect to unvested KKR Holdings units that have been distributed to the named executive officer as bonus. The discretionary bonus payments in 2016 and 2017 were made by KKR Holdings and accordingly were not economically borne by us.

(2) Stock awards reflected in the table above for each year presented represent the value of the restricted stock units and KKR Holdings units granted in such reporting period. For the fiscal years ended December 31, 2016, 2017 and 2018, restricted stock units presented in such reporting periods relate to the equity portion of the prior year's year-end bonus compensation and in each case reflect the grant date fair value of restricted stock units. For the fiscal years ended December 31, 2016 and 2017, amounts relating to KKR Holdings units represent the original grant date fair value of KKR Holdings units, and for the fiscal year ended December 31, 2016, the incremental fair value of such KKR Holdings units, as of the modification in November 2016. Fair value of the restricted stock units and KKR Holdings units granted to our named executive officers and the incremental fair value relating to the modification of the KKR Holdings units are calculated in accordance with Accounting Standards Codification Topic 718, Compensation-Stock Compensation ("ASC Topic 718"). See Note 12 "Equity Based Compensation" to our consolidated financial statements included elsewhere in this report for additional information about the valuation assumptions with respect to all grants reflected in this column. These amounts reflect the aggregate grant date fair values (or incremental fair values) calculated under ASC Topic 718, and may not correspond to the

actual value that will be recognized by our named executive officers. See "—Grants of Plan-Based Awards in 2018" for additional information regarding the restricted stock units.

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Carried interest is presented on the basis of cash received by our named executive officers in the respective fiscal year. We believe that presenting actual cash received by our named executive officers is a more representative disclosure of their compensation than presenting accrued carried interest, because carried interest is paid only if and when there are profitable realization events relating to the underlying investments. Carried interest also includes amounts retained and allocated for distribution to the respective named executive officer, but not yet distributed to the named executive officer, which could be used to fund potential future clawback obligations if any were to arise.

(4) Consists of \$55,562,709 in cash payments of carried interest from the carry pool during 2018; \$40,000 in fees for Mr. Kravis's service as a KKR-designated director on the board of directors of First

Data Corporation, a KKR portfolio company, during 2018; \$168,045 related to Mr. Kravis's use of a car and driver during 2018; \$421,334 related to certain personnel who administer personal matters for Mr. Kravis during 2018; and \$25,000 related to tax preparation fees. SEC rules require that transportation and personnel expenses not directly and integrally related to our business be disclosed as compensation to Mr. Kravis. Because we do not separately track personnel expenses based on whether they are incurred for business or for personal reasons, 100% of the preceding costs have been reported for Mr. Kravis.

- (5) Consists of \$55,562,709 in cash payments of carried interest from the carry pool during 2018; \$215,990 related to Mr. Roberts's use of a car and driver during 2018; \$429,736 related to certain personnel who administer personal matters for Mr. Roberts during

2018; and \$25,000 related to tax preparation fees. SEC rules require that transportation and personnel expenses not directly and integrally related to our business be disclosed as compensation to Mr. Roberts. Because we do not separately track personnel expenses based on whether they are incurred for business or personal reasons, 100% of the preceding costs have been reported for Mr. Roberts.

Consists of cash payments of carried interest from the (6) carry pool during 2018 and \$25,000 related to tax preparation fees.

Includes \$40,000 in fees for Mr. Nuttall's service as a (7) KKR-designated director on the board of directors of First Data Corporation, a KKR portfolio company, during 2018.

(8) Messrs. Bae and Nuttall became our named executive officers in 2017, and therefore, only their compensation information for the fiscal years ended December 31, 2017

and 2018 is provided
in the table.

Grants of Plan-Based Awards in 2018

The following table provides supplemental information relating to grants of equity awards in the year ended December 31, 2018 provided in our 2018 Summary Compensation Table.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards (\$) ⁽²⁾
Henry R. Kravis	—	—	—
George R. Roberts	—	—	—
Joseph Y. Bae	02/21/18	286,042	(1) \$5,872,442
Scott C. Nuttall	02/21/18	286,042	(1) \$5,872,442
William J. Janetschek	02/21/18	61,259	(1) \$1,257,647
David J. Sorkin	02/21/18	61,259	(1) \$1,257,647

The amounts represent restricted stock units granted under our Equity Incentive Plan in the fiscal year ended December 31, 2018 relating to the equity portion of the prior year's year-end bonus compensation. Each grant of

- (1) restricted stock units is subject to a service-based vesting condition, which is described under the caption "Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards—Terms of Restricted Stock Units" below.

The amounts represent the grant date fair value of the restricted stock units, as calculated in accordance with ASC Topic 718. See Note 12 "Equity Based Compensation" to our consolidated financial statements included elsewhere in this report for (2) additional information about the valuation assumptions with respect to all grants reflected in this table. These amounts reflect the aggregate grant date fair values calculated under ASC Topic 718 and may not correspond to the actual value that will be recognized by our named executive officers.

Narrative Disclosure to Summary Compensation Table and Grants of Plan Based Awards
Terms of KKR Holdings Units

In general, KKR Holdings units vest over a three- to five-year period from their grant date, subject to continued service through each vesting date. Following this service-based vesting, certain KKR Holdings units may also be subject to transfer restrictions and/or minimum retained ownership requirements. Unvested KKR Holdings units are not entitled to receive any distributions that are declared and received on the underlying KKR Group Partnership Units. As of February 12, 2019, 274,334,591 outstanding KKR Holdings units have vested, constituting 92% of the KKR Holdings units outstanding. See "—KKR Holdings."

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KKR Holdings units that are subject to transfer restrictions, unless waived, may not be sold, exchanged or otherwise transferred for a specified period of time following the initial vesting date and interests in such units will remain contingently vested during that time. The transfer restriction period typically lasts for (1) one year with respect to one-half of the units vesting on the vesting date and (2) two years with respect to the other one-half of the units vesting on such vesting date. Transfer restricted units become fully vested and transferable and may be exchanged into shares of Class A common stock at the end of the transfer restriction period if the holder is not terminated for cause and has complied with the terms of his or her confidentiality and restrictive covenant agreement during the transfer restrictions period. See "Terms of Confidentiality and Restrictive Covenant Agreements" below.

Because KKR Holdings is a partnership, all of the 299,081,239 KKR Holdings units have been legally allocated, but the allocation of 622,655 of these units has not been communicated to each respective principal as of December 31, 2018. The units whose allocation has not been communicated are subject to performance-based vesting conditions, which include: (i) whether the principal is in good standing and has adhered to our policies and rules; (ii) performance of assigned tasks and duties in an effective, efficient and diligent manner; (iii) contribution and commitment to the growth, development and profitability of KKR and our business; (iv) contribution and commitment to our management and general administration; (v) contribution and commitment to the culture, business principles, reputation and morale of KKR as a whole and the team or teams to which the principal has been assigned; and (vi) contribution and commitment to our recruiting, business development, public image and marketing efforts and the professional development of our personnel. These criteria are not sufficiently specific to constitute performance conditions for accounting purposes, and the achievement, or lack thereof, will be determined based upon the exercise of judgment by the general partner of KKR Holdings. Each principal will ultimately receive between zero and 100% of the units initially allocated. The allocation of these units has not yet been communicated to the award recipients as this was management's decision on how to best incentivize its principals. It is anticipated that additional service based vesting conditions will be imposed at the time the allocation is initially communicated to the respective principals. We applied the guidance of ASC Topic 718 and concluded that these KKR Holdings units do not yet meet the criteria for recognition of compensation cost because neither the grant date nor the service inception date has occurred. In reaching a conclusion that the service inception date has not occurred, we considered (1) the fact that the vesting conditions are not sufficiently specific to constitute performance conditions for accounting purposes, (2) the significant judgment that can be exercised by the general partner of KKR Holdings in determining whether the vesting conditions are ultimately achieved and (3) the absence of communication to the principals of any information related to the number of units they were initially allocated. The allocation of these units will be communicated to the award recipients when the performance based vesting conditions have been met, and currently there is no plan as to when the communication will occur. The determination as to whether the award recipients have satisfied the performance based vesting conditions is made by the general partner of KKR Holdings, and is based on multiple factors primarily related to the award recipients' individual performance.

While employed by our firm, our principals, including our named executive officers, are also subject to minimum retained ownership rules that require them to continuously hold at least 25% of their cumulatively vested KKR Holdings units, unless waived.

The transfer and vesting restrictions and minimum retained ownership requirements applicable to KKR Holdings units may not be enforceable in all cases and can be waived, modified or amended by KKR Holdings at any time without our consent.

The terms of the KKR Holdings units described above are distinct from equity awards issuable under our Equity Incentive Plan or our New Equity Incentive Plan, which are described below.

Terms of Restricted Stock Units

Restricted stock units are equity awards issuable under our Equity Incentive Plan or our New Equity Incentive Plan, which after vesting, may be settled for shares of our Class A common stock on a one-for-one basis (or an amount of cash equal to the fair market value of such shares).

In general, restricted stock units are subject to a service-based vesting condition and vest in equal annual installments over a multi year period (generally three to five years) from a specified date, subject to the recipient's continued

employment with us. Following this service-based vesting, certain restricted stock unit grant agreements may also subject the shares of Class A common stock delivered upon settlement of such restricted stock units to transfer restrictions and/or minimum retained ownership requirements. Unvested restricted stock units granted under our Equity Incentive Plan or our New Equity Incentive Plan are not entitled to receive dividends. Certain restricted stock unit grant agreements may also contain additional vesting requirements.

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The restricted stock units granted to Messrs. Bae, Nuttall, Janetschek and Sorkin in the fiscal year ended December 31, 2018 are subject to three year service-based vesting requirements.

Shares of Class A common stock delivered upon settlement of restricted stock units that are subject to transfer restrictions, unless waived, may not be sold, exchanged or otherwise transferred for a specified period of time following the vesting date. The transfer restriction period typically lasts for (1) one year with respect to one-half of the units vesting on such vesting date and (2) two years with respect to the other one-half of the units vesting on such vesting date. Transfer-restricted shares of Class A common stock become saleable at the end of the transfer restriction period if the holder has not been terminated for cause and has not breached in any significant or intentional manner, as determined by the Administrator (as defined in "KKR & Co. Inc. Equity Incentive Plan—Administration"), the terms of his or her confidentiality and restrictive covenants contained in the grant agreement during the transfer restriction period. See "Terms of Confidentiality and Restrictive Covenant Agreements" below.

While employed by our firm, our employees, including our named executive officers, may also be subject to a minimum retained ownership requirement under the restricted stock unit grant agreement, which would obligate them to continuously hold shares of Class A common stock equivalents of 15% of their cumulatively vested restricted stock units, unless waived. From time to time, the transfer restrictions and minimum retained ownership requirements applicable to restricted stock units of certain employees, including our named executive officers, may be transferred to such employees' KKR Holdings units, if any, so that the total units or shares of equity subject to transfer restrictions and minimum retained ownership requirements are expected to be the same, unless waived.

For additional information about equity awards granted under our Equity Incentive Plan, please also see "KKR & Co. Inc. Equity Incentive Plan" below.

Terms of Confidentiality and Restrictive Covenant Agreements

The confidentiality and restrictive covenant agreements with each of our named executive officers include prohibitions on them competing with us or soliciting our clients or employees while employed by us and during a restricted period following their departure from the firm. These agreements also require personnel to protect and use the firm's confidential information only in accordance with confidentiality restrictions set forth in the agreement. The restricted periods for our Co Chief Executive Officers expire two years from termination for both the prohibitions on competition with us and the prohibitions on the solicitations of our clients and employees. In cases where the Co-Chief Executive Officer is terminated involuntarily and for reasons not constituting cause, such periods are reduced to one year from termination. The restricted periods for our other named executive officers expire (1) in the case of the prohibitions on competition with us, 12 months from termination and (2) in the case of the prohibitions on the solicitation of our clients and employees, 18 months from termination. In cases where the named executive officer is terminated involuntarily and for reasons not constituting cause, such periods are reduced to 6 months and 9 months, respectively. In addition, under certain conditions the restricted periods applicable to the solicitation of our clients and employees are subject to reduction for any "garden leave" or "notice period" that an employee serves prior to termination of employment. These agreements also require that we, and our named executive officers, provide advance notice prior to termination of employment.

Our named executive officers other than our Co Chief Executive Officers have entered into these confidentiality and restrictive covenant agreements with us through their restricted stock unit grant agreements and separately also with KKR Holdings, which is entitled to waive, modify or amend them at any time without our consent. However, because our Co Chief Executive Officers have not received any restricted stock units, their confidentiality and restrictive covenant agreements are solely with KKR Holdings. Because KKR Holdings is the party to these agreements and not us, we may not be able to enforce them, and these agreements might be waived, modified or amended at any time without our consent.

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Outstanding Equity Awards at 2018 Fiscal Year End

The following table sets forth information concerning unvested restricted stock units and KKR Holdings units for each of the named executive officers as of December 31, 2018.

Name	Stock Awards	
	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (\$) ⁽¹⁾
Henry R. Kravis	2,000,000 ⁽²⁾	\$39,260,000
George R. Roberts	2,000,000 ⁽²⁾	\$39,260,000
Joseph Y. Bae	9,467,704 ⁽³⁾	\$185,851,030
Scott C. Nuttall	9,615,781 ⁽⁴⁾	\$188,757,781
William J. Janetschek	455,478 ⁽⁵⁾	\$8,941,033
David J. Sorkin	456,168 ⁽⁶⁾	\$8,954,578

(1) These amounts are based on the closing market price of our Class A common stock on the last trading day of the year ended December 31, 2018, of \$19.63 per share.

(2) Includes 2,000,000 KKR Holdings units granted to each of Messrs. Kravis and Roberts on November 2, 2017, which will vest in four equal annual installments, beginning on October 1, 2019.

(3) Includes (i) 52,596 KKR Holdings units granted on January 25, 2016, which will vest on April 1, 2019; (ii) 67,033 KKR Holdings units granted on December 30, 2016, which will vest on April 1, 2019; (iii) 67,033 KKR Holdings units granted on December 30, 2016, which will vest on April 1, 2020; (iv) 780,000 KKR Holdings units granted on February 25, 2016, which will vest in equal installments on May 1, 2019, May 1, 2020 and May 1, 2021; (v) 4,365,000 KKR Holdings units granted on November 2, 2017, which will vest on October 1 of each year as follows: 17% in 2019, 22% in 2020, 28% in 2021 and 33% in 2022; (vi) 3,850,000 restricted stock units granted on November 2, 2017, of which (a) 1,350,000 units will vest on October 1 of each year as follows: 17% in 2019, 22% in 2020, 28% in 2021 and 33% in 2022 and (b) 2,500,000 units will vest upon the market price of our Class A common stock reaching and maintaining a market price of \$40.00 per share for a period of ten consecutive trading days on or prior to December 31, 2022; and (vii) 286,042 restricted stock units granted on February 21, 2018, which will vest in equal installments on April 1, 2019, April 1, 2020 and April 1, 2021.

(4) Includes (i) 48,649 KKR Holdings units granted on January 25, 2016, which will vest on April 1, 2019; (ii) 53,045 KKR Holdings units granted on December 30, 2016, which will vest on April 1, 2019; (iii) 53,045 KKR Holdings units granted on December 30, 2016, which will vest on April 1, 2020; (iv) 960,000 KKR Holdings units granted on February 25, 2016, which will vest in equal installments on May 1, 2019, May 1, 2020 and May 1, 2021; (v) 4,365,000 KKR Holdings units granted on November 2, 2017, which will vest on October 1 of each year as follows: 17% in 2019, 22% in 2020, 28% in 2021 and 33% in 2022; (vi) 3,850,000 restricted stock units granted on November 2, 2017, of which (a) 1,350,000 units will vest on October 1 of each year as follows: 17% in 2019, 22% in 2020, 28% in 2021 and 33% in 2022 and (b) 2,500,000 units will vest upon the market price of our Class A common stock reaching and maintaining a market price of \$40.00 per share for a period of ten consecutive trading days on or prior to December 31, 2022; and (vii) 286,042 restricted stock units granted on February 21, 2018,

which will vest in equal installments on April 1, 2019, April 1, 2020 and April 1, 2021.

- Includes (i) 19,243 restricted stock units granted on February 23, 2016, which will vest on April 1, 2019; (ii) 330,000 KKR Holdings units granted on February 25, 2016, which will vest in equal installments on May 1, 2019, (5) May 1, 2020 and May 1, 2021; (iii) 44,976 restricted stock units granted on February 21, 2017, which will vest in equal installments on April 1, 2019 and April 1, 2020; and (iv) 61,259 restricted stock units granted on February 21, 2018, which will vest in equal installments on April 1, 2019, April 1, 2020 and April 1, 2021.
- Includes (i) 19,933 restricted stock units granted on February 23, 2016, which will vest on April 1, 2019; (ii) 330,000 KKR Holdings units granted on February 25, 2016, which will vest in equal installments on May 1, 2019, (6) May 1, 2020 and May 1, 2021; (iii) 44,976 restricted stock units granted on February 21, 2017, which will vest in equal installments on April 1, 2019 and April 1, 2020; and (iv) 61,259 restricted stock units granted on February 21, 2018, which will vest in equal installments on April 1, 2019, April 1, 2020 and April 1, 2021.

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Option Exercises and Stock Vested in 2018

The following table sets forth information concerning the vesting of KKR Holdings units and restricted stock units held by each of our named executive officers during the year ended December 31, 2018.

Name	Stock Awards	
	Number of Shares Acquired on Vesting (#) ⁽¹⁾	Value Realized on Vesting (\$) ⁽²⁾
Henry R. Kravis	500,000	\$13,750,000
George R. Roberts	500,000	\$13,750,000
Joseph Y. Bae	1,159,997	\$28,405,939
Scott C. Nuttall	1,216,651	\$29,622,015
William J. Janetschek	225,326	\$4,695,118
David J. Sorkin	226,017	\$4,709,145

The amounts reflected in this column represent KKR Holdings units and shares of Class A common stock delivered upon vesting, a portion of which are subject to one- and two-year transfer restrictions upon vesting. See "(1) —Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards—Terms of KKR Holdings Units" and "(1) —Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards—Terms of Restricted Stock Units" for additional terms, including with respect to the transfer of certain restrictions from the restricted stock units to employees' KKR Holdings units.

(2) These amounts are based on the closing market price of our Class A common stock on each respective vesting date.

Pension Benefits for 2018

We provided no pension benefits during the fiscal year ended December 31, 2018.

Nonqualified Deferred Compensation for 2018

We provided no defined contribution plan for the deferral of compensation on a basis that is not tax-qualified during the fiscal year ended December 31, 2018.

Potential Payments Upon Termination or Change in Control

Upon termination of employment, vesting generally ceases for KKR Holdings units and restricted stock units that have not vested. In addition, transfer-restricted vested KKR Holdings units and, if applicable, transfer-restricted restricted stock units (which term includes the transfer-restricted shares of Class A common stock that may be delivered upon settlement of such restricted stock units) remain subject to transfer restrictions for one- and two-year periods, except as described below. See "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" for additional information regarding KKR Holdings units and transfer-restricted restricted stock units of our named executive officers.

An employee who retires after the first date on which his or her age plus years of service to KKR equals 80 ("qualified retirement") will continue to vest in his or her unvested KKR Holdings units and restricted stock units for an additional two years following retirement, subject to compliance, if applicable, with the requirement that the holder not violate the terms and conditions of his or her confidentiality and restrictive covenants during the period in which

such KKR Holdings unit or restricted stock unit, if applicable, remains transfer restricted over one- and two-year periods. None of our named executive officers had a qualified retirement in the fiscal year ended December 31, 2018. Upon death or permanent disability, a holder of KKR Holdings units or restricted stock units becomes immediately vested in all unvested KKR Holdings units and restricted stock units, respectively, which become permitted to be exchanged after the scheduled vesting dates or will be settled on the scheduled vesting dates, respectively. In addition, upon a change in control of KKR, a holder of KKR Holdings units and restricted stock units becomes immediately vested in all unvested KKR Holdings units and restricted stock units, respectively, which become permitted to be exchanged after the scheduled vesting dates or will be settled on the scheduled vesting dates, respectively. The values of unvested KKR Holdings units and restricted stock units held by the named executive officers as of December 31, 2018 are set forth above in "Outstanding Equity Awards at 2018 Fiscal Year-End."

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Upon termination of employment, vesting generally ceases for carried interest allocations. In addition, carried interest allocations become immediately vested upon death or permanent disability.

Pay Ratio Disclosure

For the fiscal year ended December 31, 2018:

the median of the annual total compensation of all employees of our company (other than Messrs. Kravis and Roberts, who are our Co-Chief Executive Officers) was \$280,000;

the annual total compensation of Messrs. Kravis and Roberts were \$56,517,088 and \$56,533,435, respectively; and

the ratio of the annual total compensation of our Co-Chief Executive Officers to the median of the annual total compensation of all other employees was 202 to 1.

To identify the median employee for the purpose of providing the information above, we examined the compensation of all our employees (other than our Co-Chief Executive Officers) as of December 31, 2018 using, based on our payroll records, a consistently applied compensation measure consisting of such employees' annual salary, annual cash bonus, actual overtime, carried interest payouts and equity granted. Employees on unpaid leave of absence, employees who gave notice of departure and were not part of the regular year-end compensation process, and any employee who joined us in connection with an acquisition consummated during the year (there was none in 2018) were excluded from the calculation. Compensation of employees who were employed for less than the full year of 2018 were annualized, if they were part of the regular year-end compensation process. We reviewed all compensation in U.S. dollars, using the relevant exchange rate for any compensation paid in other currencies. After identifying the median employee, we calculated annual total compensation for such employee using the same methodology we use for our principal executive officers as set forth in "—Summary Compensation Table—2018 Summary Compensation Table." As noted in "—Compensation Elements—Year-end Bonus Compensation," Messrs. Kravis and Roberts did not receive any year-end bonus compensation in 2018, and the distributions and dividends payable with respect to their vested KKR Holdings units and shares of Class A common stock they hold are not considered compensation and accordingly are not included in the pay ratio calculation above.

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Director Compensation

We limit compensation for service on our board of directors to the independent directors. Each independent director receives (1) an annual cash retainer of \$90,000, which reflects an increase of \$15,000 effective September 2018, (2) an additional annual cash retainer of \$15,000 if such independent director is a member of the nominating and corporate governance committee, (3) an additional annual cash retainer of \$25,000 if such independent director is a member of the audit committee and (4) an additional annual cash retainer of \$25,000 (in addition to the annual cash retainer as a member of the audit committee) if such independent director serves as the chairman of the audit committee. Cash retainers are pro-rated if, during the fiscal year, a director joins or resigns from the board of directors, a director joins or resigns from a committee or the amount of a retainer is increased or decreased. In addition, on October 26, 2018, 6,539 restricted stock units were granted to each independent director pursuant to our Equity Incentive Plan. Because Mr. Niel and Ms. Dillon, both independent directors, joined our board of directors on March 1, 2018 and September 6, 2018, respectively, an additional 4,022 and 481 restricted stock units, respectively, were granted to them.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Total (\$)
Mary N. Dillon	28,750	159,235	187,985
David C. Drummond	78,750	146,735	225,485
Joseph A. Grundfest	128,750	146,735	275,485
John B. Hess	78,750	146,735	225,485
Xavier B. Niel	66,250	234,235	300,485
Patricia F. Russo	78,750	146,735	225,485
Thomas M. Schoewe	103,750	146,735	250,485
Robert W. Scully	118,750	146,735	265,485

Represents the aggregate grant date fair value of restricted stock units granted to each of the independent directors during the year ended December 31, 2018 as calculated in accordance with ASC Topic 718. See Note 12 "Equity Based Compensation" to our consolidated financial statements included elsewhere in this report for additional information about the valuation assumptions with respect to all grants reflected in this column. These amounts reflect the aggregate grant date fair values calculated under ASC Topic 718 and may not correspond to the actual value that will be recognized by the independent directors.

The following table details grants of restricted stock units to each independent director in the year ended December 31, 2018. The table includes the grant date and grant date fair value of 2018 restricted stock units and the aggregate number of unvested restricted stock units as of December 31, 2018 owned by each independent director who served as a director during the year ended December 31, 2018:

Name	Grant Date ⁽¹⁾	Stock Awards (#)	Grant Date Fair Value	Total Number of Unvested Restricted
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			(\$) ⁽²⁾	Equity Awards on December 31, 2018 (#)
Mary N. Dillon	9/6/2018	481	12,500	—
	10/26/2018	6,539	146,735	6,539
David C. Drummond	10/26/2018	6,539	146,735	6,539
Joseph A. Grundfest	10/26/2018	6,539	146,735	6,539
John B. Hess	10/26/2018	6,539	146,735	6,539
Xavier B. Niel	3/1/2018	4,022	87,500	—
	10/26/2018	6,539	146,735	6,539
Patricia F. Russo	10/26/2018	6,539	146,735	6,539
Thomas M. Schoewe	10/26/2018	6,539	146,735	6,539
Robert W. Scully	10/26/2018	6,539	146,735	6,539

(1) The restricted stock units were granted on October 26, 2018 and will vest on October 1, 2019, subject to the grantee's continued service through the vesting date. 4,022 restricted stock units and 481 restricted stock units granted to Mr. Niel and Ms. Dillon for joining the board of directors on March 1, 2018 and September 6, 2018, respectively, vested and were settled into an equal number of shares of Class A common stock on October 1, 2018.

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- (2) This column represents the grant date fair value of restricted stock units granted to each of the independent directors during the year ended December 31, 2018 as calculated in accordance with ASC Topic 718. These amounts reflect the aggregate grant date fair values calculated under ASC Topic 718 and may not correspond to the actual value that will be recognized by the independent directors.

KKR & Co. Inc. Equity Incentive Plan

In connection with the Conversion, we amended and restated the KKR & Co. L.P. 2010 Equity Incentive Plan by adopting the Amended and Restated KKR & Co. Inc. 2010 Equity Incentive Plan, which is referred to as our Equity Incentive Plan. In addition, on January 28, 2019, the common stockholders of KKR & Co. Inc. approved the KKR & Co. Inc. 2019 Equity Incentive Plan, which we refer to as our New Equity Incentive Plan, in a special stockholders meeting, which will become effective on March 29, 2019. Following the effectiveness of our New Equity Incentive Plan, we will not make any further grants under our Equity Incentive Plan, and our New Equity Incentive Plan will become our only plan for providing new equity-based awards. Our New Equity Incentive Plan will have a term of 10 years from the effective date. Outstanding awards under our Equity Incentive Plan will remain outstanding, unchanged and subject to the terms of our Equity Incentive Plan and their respective equity award agreements, until the vesting, expiration or lapse of such awards in accordance with their terms.

Administration

Our board of directors or a committee or subcommittee thereof administers or will administer, as applicable, our Equity Incentive Plan and our New Equity Incentive Plan (the "Administrator"). The Administrator has the authority to make all decisions, determinations and interpretations with respect to the administration of our Equity Incentive Plan and our New Equity Incentive Plan, including determining who will receive awards thereunder, the number of shares of Class A common stock underlying the awards and the terms and conditions of the awards, and is permitted, subject to applicable law, to delegate all or any part of its responsibilities and powers to any employee or employees selected by it in accordance with the terms of the plan. The board of directors authorized its executive committee (consisting of Messrs. Kravis and Roberts) to act as the Administrator under each plan, provided that (i) the Executive Committee is not authorized to make grants with respect to the executive officers without approval of the board of directors and (ii) the board of directors reserved the power and authority to act as the Administrator and to modify the power and authority of the Executive Committee under each plan.

Class A Common Stock Subject to the Plan

The total number of shares of Class A common stock that may be issued under our Equity Incentive Plan as of the effective date of the plan was equivalent to 15% of the number of fully diluted and exchanged shares of Class A common stock outstanding as of such date; provided that beginning with the first fiscal year after our Equity Incentive Plan became effective and continuing with each subsequent fiscal year occurring thereafter, the aggregate number of shares of Class A common stock covered by the plan will be increased, on the first day of each fiscal year of KKR & Co. Inc. occurring during the term of the plan, by a number of shares of Class A common stock equal to the positive difference, if any, of (x) 15% of the aggregate number of shares of Class A common stock outstanding (on a fully-diluted and exchanged basis) on the last day of the immediately preceding fiscal year minus (y) the aggregate number of shares of Class A common stock available for issuance under the plan as of the last day of such year, unless the Administrator should decide to increase the number of shares of Class A common stock covered by the plan by a lesser amount on any such date. Following March 29, 2019, the effective date of our New Equity Incentive Plan, no additional grants will be made under our Equity Incentive Plan.

As of March 29, 2019, the effective date of our New Equity Incentive Plan, 125,090,771 shares of Class A common stock, representing 15% of the aggregate number of the shares of Class A common stock and KKR Group Partnership Units (excluding KKR Group Partnership Units held by KKR & Co. Inc. or its wholly-owned subsidiaries) (together, "Diluted Class A Shares") outstanding at the close of business on December 31, 2018, will be available for issuance in respect of outstanding awards and the grant of future awards, in each case, under our New Equity Incentive Plan. Thereafter, beginning in 2020 and continuing with each of our subsequent fiscal years occurring thereafter, the aggregate number of shares of Class A common stock available under our New Equity Incentive Plan will be increased, on the first day of each such fiscal year, by a number of shares of Class A common stock equal to the

positive difference, if any, between (x) 15% of the number of Diluted Class A Shares outstanding at the close of business on the last day of the immediately preceding fiscal year minus (y) the number of shares of Class A common stock available for issuance in respect of outstanding awards and the grant of future awards, in each case, under our New Equity Incentive Plan as of the last day of such year, unless the Administrator in its sole discretion should decide to increase the number of shares of Class A common stock available under the plan by a lesser amount on any such date. As a result, on the first day of each fiscal year beginning in 2020, the number of shares of Class A common stock available for issuance of future awards under our New Equity Incentive Plan will be adjusted upwards to 15% of the number of Diluted Class A Shares outstanding at the close of business on the last day of the immediately preceding fiscal year, minus the number of

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shares underlying any outstanding equity awards granted under our New Equity Incentive Plan that have not yet been delivered upon vesting. Therefore, we expect that the number of shares of Class A common stock available for issuance of future awards under our New Equity Incentive Plan will increase at the beginning of each fiscal year compared to the end of the immediately preceding fiscal year if, during the immediately preceding year, there has been (i) any increase in the aggregate number of shares of Class A common stock and KKR Group Partnership Units outstanding or (ii) any delivery of underlying shares upon vesting of outstanding equity awards under our New Equity Incentive Plan.

Restricted Stock Units and Other Equity-Based Awards

The Administrator may grant or sell awards of restricted stock units, Class A common stock, restricted Class A common stock, deferred restricted Class A common stock, phantom restricted Class common stock, or any other awards that are valued in whole or in part by reference to, or are otherwise based on the fair market value of, the Class A common stock. Any of these or other equity-based awards may be in such form, and dependent on such conditions, as the Administrator determines, including the right to receive, or vest with respect to, one or more shares of Class A common stock (or the equivalent cash value of such shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. The Administrator may determine whether any such equity-based awards will be payable in cash, shares of Class A common stock or other assets or a combination of cash, Class A common stock and other assets.

Options and Stock Appreciation Rights

The Administrator may award non-qualified stock options and stock appreciation rights. Options and stock appreciation rights granted under our Equity Incentive Plan or our New Equity Incentive Plan will become vested and exercisable at such times and upon such terms and conditions as may be determined by the Administrator at the time of grant, but no option or stock appreciation right will be exercisable for a period of more than ten years after it is granted. The exercise price per share will be determined by the Administrator, provided that options and stock appreciation rights granted to participants who are U.S. taxpayers will not be granted with an exercise price less than 100% of the fair market value per share of the Class A common stock on the date of grant. To the extent permitted by the Administrator, the exercise price of an option may be paid in cash or its equivalent, in shares of Class A common stock having a fair market value equal to the aggregate exercise price and satisfying such other requirements as may be imposed by the Administrator, partly in cash and partly in shares of Class A common stock or net settlement in shares of Class A common stock. As determined by the Administrator, stock appreciation rights may be settled in shares of Class A common stock, cash or any combination thereof.

Compensation Committee Interlocks and Insider Participation

Because we are a "controlled company" within the meaning of the corporate governance standards of the NYSE, our board of directors is not required by NYSE rules to establish a compensation committee. Our founders, Messrs. Kravis and Roberts, serve as Co-Chairmen of the board of directors and participated in discussions regarding executive compensation. For a description of certain transactions between us and our founders, see "Certain Relationships and Related Transactions, and Director Independence."

Compensation Committee Report

Our board of directors does not have a compensation committee. The entire board of directors has reviewed and discussed with management the foregoing Compensation Discussion and Analysis and, based on such review and discussion, has determined that the Compensation Discussion and Analysis should be included in this Annual Report.

Henry R. Kravis

George R. Roberts

Joseph Y. Bae

Scott C. Nuttall

Mary N. Dillon
David C. Drummond
Joseph A. Grundfest
John B. Hess
Xavier B. Niel
Patricia F. Russo
Thomas M. Schoewe
Robert W. Scully

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Our Class A common stock and our Class C common stock are generally non-voting and are not entitled to any votes on any matter that is submitted to a vote of our stockholders, except as expressly provided in our certificate of incorporation, bylaws or required by Delaware law or the rules of the NYSE. The Class B common stock is voting and is entitled to one vote per share on any matter that is submitted to a vote of our stockholders generally. There is only one share of Class B common stock outstanding, which is held by KKR Management LLC, as the Class B Stockholder. Our founders, Henry R. Kravis and George R. Roberts, who also serve as our Co-Chairmen and Co-Chief Executive Officers, are the designated members of the Class B Stockholder and are deemed to represent a majority of the Class B Stockholder's voting power when acting together.

The following table sets forth the beneficial ownership of our Class A common stock and KKR Group Partnership Units that are, together with shares of our Class C common stock, exchangeable for shares of our Class A common stock by:

- each person known to us to beneficially own more than 5% of any class of our outstanding voting securities based on our review of filings with the SEC;
- each of our directors, persons chosen to become a director and named executive officers; and
- our directors and executive officers as a group.

The numbers of shares of Class A common stock and KKR Group Partnership Units and shares of Class C common stock outstanding and the percentage of beneficial ownership are based on 533,486,948 shares of Class A common stock issued and outstanding and 299,081,239 KKR Group Partnership Units that, together with shares of our Class C common stock, are exchangeable for shares of our Class A common stock as of February 12, 2019. Beneficial ownership is in each case determined in accordance with the rules of the SEC, and includes equity securities of which that person has the right to acquire beneficial ownership within 60 days of February 12, 2019. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed a beneficial owner of securities as to which he has no economic interest.

Name ⁽³⁾	Class A Common Stock Beneficially Owned ⁽¹⁾		KKR Group Partnership Units and Class C Common Stock Beneficially Owned ⁽¹⁾⁽²⁾		Percentage of Combined Class A and Class C Beneficial Ownership ⁽⁴⁾	
	Number	Percent	Number	Percent		
KKR Holdings ⁽⁵⁾ ValueAct Capital MFB Holdings, L.P. ⁽⁶⁾	2,677	*	299,081,239	100.0%	35.9	%
The Vanguard Group Inc. ⁽⁷⁾	42,390,659	8.0	—	—	5.1	
Vulcan Value Partners, LLC ⁽⁸⁾	29,365,707	5.5	—	—	3.5	
Jackson Square	27,962,795	5.2	—	—	3.4	

Explanation of Responses:

Partners, LLC

(9)

Henry R.

Kravis	16,965,126	3.2	299,081,239	100.0	38.0
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(5)(10)(11)

George R.

Roberts	12,858,598	2.4	299,081,239	100.0	37.5
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(5)(10)(11)

Joseph Y. Bae

(12)	1,806,996	*	7,785,364	2.6	1.2
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Scott C.

Nuttall (12)	1,735,283	*	10,953,249	3.7	1.5
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Mary N.

Dillon	481	*	—	—	*
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David C.

Drummond	32,339	*	—	—	*
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Joseph A.

Grundfest	66,955	*	—	—	*
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John B. Hess

Xavier B. Niel	140,555	*	—	—	*
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Xavier B. Niel

Patricia F. Russo	4,022	*	—	—	*
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Patricia F. Russo

Thomas M. Schoewe	59,955	*	—	—	*
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Thomas M. Schoewe

Robert W. Scully	67,555	*	—	—	*
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Robert W. Scully

William J. Janetschek (12)	121,955	*	—	—	*
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William J. Janetschek

(12)	328,274	*	3,020,000	1.0	*
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David J. Sorkin

(12)	384,247	*	3,093,593	1.0	*
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Directors and

executive

officers as a group	29,902,498	5.6%	299,081,239	100.0%	39.5%
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(14 persons)

*Less than 1.0%.

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- KKR Group Partnership Units held by KKR Holdings are exchangeable (together with the corresponding Class C common stock) for our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications and in compliance with lock-up, vesting and
- (1) transfer restrictions as described under "Certain Relationships and Related Transactions, and Director Independence—Exchange Agreement." Beneficial ownership of KKR Group Partnership Units and Class C common stock reflected in this table has not also been reflected as beneficial ownership of our Class A common stock for which such KKR Group Partnership Units and Class C common stock may be exchanged.
- On any matters that may be submitted to a vote of the holders of Class A common stock, our Class C common stock provides its holders with a number of votes that is equal to the aggregate number of KKR Group Partnership
- (2) Units that such holders hold and entitle such holders to participate in the vote on the same basis as the holders of Class A common stock.
- (3) The address of each director and executive officer is 9 West 57th Street, Suite 4200, New York, New York 10019. This column assumes the exchange of KKR Group Partnership Units and Class C common stock into shares of
- (4) Class A common stock and a number of outstanding shares of Class A common stock calculated in accordance with Rule 13d-3(d)(1) of the Exchange Act.
- KKR Holdings owns, beneficially or of record, an aggregate of 2,677 shares of Class A common stock and 299,081,239 exchangeable KKR Group Partnership Units and shares of Class C common stock. Our principals hold interests in KKR Holdings that will entitle them to participate in the value of the KKR Group Partnership Units held by KKR Holdings. KKR Holdings is a limited partnership that is controlled by KKR Holdings GP Limited, its sole general partner, which has investment control over all KKR Group Partnership Units, shares of Class C common stock and shares of Class A common stock held by KKR Holdings and voting control over all shares of Class C common stock held by KKR Holdings. Messrs. Kravis and Roberts, by virtue of their rights under the organizational documents of KKR Holdings GP Limited (the general partner of KKR Holdings), may be
- (5) deemed to share dispositive and/or voting power with respect to the KKR Group Partnership Units, shares of Class C common stock and shares of Class A common stock held by KKR Holdings. Each of Messrs. Kravis and Roberts disclaims beneficial ownership of the securities that may be deemed to be beneficially owned by him, except to the extent of his own pecuniary interest therein. Mr. Kravis disclaims beneficial ownership of the securities that may be deemed to be beneficially owned by him, except with respect to 72,814,740 KKR Group Partnership Units in which he and certain related entities he controls have a pecuniary interest. Mr. Roberts disclaims beneficial ownership of the securities that may be deemed to be beneficially owned by him, except with respect to 80,277,805 KKR Group Partnership Units in which he and certain related entities he controls have a pecuniary interest. The address of KKR Holdings is 9 West 57th Street, Suite 4200, New York, New York 10019.
- Based on a Form 4 filed with the SEC on February 13, 2018 and a Schedule 13D/A filed with the SEC on November 29, 2017, shares of Class A common stock reported as beneficially owned by ValueAct Capital MFB Holdings, L.P. are also reported as indirectly beneficially owned by (i) ValueAct Capital Master Fund, L.P. as sole limited partner of ValueAct Capital MFB Holdings, L.P., (ii) VA Partners I, LLC as general partner of ValueAct Capital MFB Holdings, L.P. and ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iv) ValueAct Capital Management, LLC as general partner of ValueAct Capital Management, L.P., (v) ValueAct Holdings, L.P. as the sole owner of the limited partnership
- (6) interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (vi) ValueAct Holdings GP, LLC as general partner of ValueAct Holdings, L.P. ValueAct Capital MFB Holdings, L.P. is reported as having shared power to vote or to direct the vote, and shared power to dispose or direct the disposition of, such shares of Class A common stock, with VA Partners I, LLC, ValueAct Capital Master Fund, L.P., ValueAct Capital Management, L.P., ValueAct Capital Management, LLC, ValueAct Holdings, L.P. and ValueAct Holdings GP, LLC. The address of these beneficial owners is One Letterman Drive, Building D, Fourth Floor, San Francisco, California 94129.
- (7)

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Based on a Schedule 13G filed with the SEC on February 11, 2019, as of December 31, 2018, The Vanguard Group reports it is the beneficial owner of 42,390,659 shares of Class A common stock, with sole voting power over 104,228 shares of Class A common stock, sole dispositive power over 42,286,431 shares of Class A common stock, and shared voting power over 104,228 shares of Class A common stock. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

(8) Based on a Schedule 13G filed with the SEC on February 15, 2019, as of December 31, 2018, Vulcan Value Partners, LLC and C.T. Fitzpatrick may be deemed to beneficially own and have the sole voting power over 26,442,405 shares of Class A common stock and sole dispositive power over 29,365,707 shares of Class A common stock. The address of these beneficial owners is Three Protective Center, 2801 Highway 280 South, Suite 300, Birmingham, Alabama 35223. Mr. Fitzpatrick and/or members of his immediate family own 363,513 shares of Class A common stock for his or their own accounts, in a managed account over which Vulcan Value Partners, LLC serves as the investment adviser. Vulcan Value Partners, LLC exercises voting and dispositive power over such account.

(9) Based on a Schedule 13G filed with the SEC on February 12, 2019, as of December 31, 2018, Jackson Square Partners, LLC reports it is the beneficial owner of 27,962,795 shares of Class A common stock, with sole voting power over 8,727,768 shares of Class A common stock, sole dispositive power over 27,962,795 shares of Class A common stock, and shared voting power over 6,490,543 shares of Class A common stock. The address of Jackson Square Partners, LLC is 101 California Street, Suite 3750, San Francisco, California 94111.

(10) KKR MIF Fund Holdings L.P. owns, beneficially or of record, an aggregate of 1,028,156 shares of Class A common stock. The sole general partner of KKR MIF Fund Holdings L.P. is KKR MIF Carry Holdings L.P. The sole general partner of KKR MIF Carry Holdings L.P. is KKR MIF Carry Limited. Each of KKR MIF Carry Holdings L.P. (as the sole general partner of KKR MIF Fund Holdings L.P.); KKR MIF Carry Limited (as the sole general partner of KKR MIF Carry Holdings L.P.); KKR Index Fund Investments L.P. (as the sole shareholder of KKR MIF Carry Limited); KKR IFI GP L.P. (as the sole general partner of KKR Index Fund Investments L.P.); KKR IFI Limited (as the sole general partner of KKR IFI GP L.P.); KKR Fund Holdings L.P. (as the sole shareholder of KKR IFI Limited); KKR Fund Holdings GP Limited (as a general partner of KKR Fund Holdings L.P.); KKR Group Holdings Corp. (as a general partner of KKR Fund Holdings L.P. and the sole shareholder of KKR Fund Holdings GP Limited); KKR & Co. Inc. (as the sole shareholder of KKR Group Holdings Corp.); and KKR Management LLC (as the Class B common stockholder of KKR & Co. Inc.) may be deemed to be the beneficial owner of the securities. Messrs. Kravis and Roberts are the designated members of KKR Management LLC and may be deemed to share dispositive power with respect to the shares of Class A common stock held by KKR MIF Fund Holdings L.P. Each of Messrs. Kravis and Roberts disclaims beneficial ownership of the securities.

(11) KKR Reference Fund Investments L.P. owns, beneficially or of record, an aggregate of 3,639,010 shares of Class A common stock. The sole general partner of KKR Reference Fund Investments L.P. is KKR IFI GP L.P. Each of KKR IFI GP L.P. (as the sole general partner of KKR Reference Fund Investments L.P.); KKR IFI Limited (as the sole general partner of KKR IFI GP L.P.); KKR Fund Holdings L.P. (as the sole shareholder of KKR IFI Limited); KKR Fund Holdings GP Limited (as a general partner of KKR Fund Holdings L.P.); KKR Group Holdings Corp. (as a general partner of KKR Fund Holdings L.P. and the sole shareholder of KKR Fund Holdings GP Limited); KKR & Co. Inc. (as the sole shareholder of KKR Group Holdings Corp.); and KKR Management LLC (as the Class B common stockholder of KKR & Co. Inc.) may be deemed to be the beneficial owner of

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the securities. Messrs. Kravis and Roberts are the designated members of KKR Management LLC and may be deemed to share dispositive power with respect to the shares of Class A common stock held by KKR MIF Fund Holdings L.P. Each of Messrs. Kravis and Roberts disclaims beneficial ownership of the securities

(12) The shares of Class A common stock above for Messrs. Bae, Nuttall, Janetschek and Sorkin include 95,347, 95,347, 62,150 and 62,840 restricted stock units, respectively, that will vest within 60 days of February 12, 2019.

Securities Authorized for Issuance under Equity Compensation Plans

The table set forth below provides information concerning the awards that may be issued under our Equity Incentive Plan as of December 31, 2018.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (1)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the first column) (2)(3)
Equity Compensation Plans Approved by Security Holders	38,408,491	—	32,597,857
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	38,408,491	—	32,597,857

(1) Reflects the aggregate number of restricted stock units granted under our Equity Incentive Plan and outstanding as of December 31, 2018.

The aggregate number of shares of our Class A common stock covered by our Equity Incentive Plan is increased on the first day of each fiscal year during its term by a number of shares equal to the positive difference, if any, of (a) 15% of the aggregate number of shares of Class A common stock outstanding (on a fully diluted basis and exchanged) on the last day of the immediately preceding fiscal year minus (b) the aggregate number of shares of

(2) Class A common stock initially available for issuance under our Equity Incentive Plan (unless the Administrator should decide to increase the number of shares of Class A common stock covered by the plan by a lesser amount). We have filed a registration statement on Form S-8 under the Securities Act to register shares of Class A common stock covered by our Equity Incentive Plan (including pursuant to automatic annual increases). Any such Form S-8 registration statement will automatically become effective upon filing. Accordingly, upon issuance pursuant to our Equity Incentive Plan, these shares of Class A common stock will be available for sale in the open market.

(3) On January 28, 2019, the common stockholders of KKR & Co. Inc. approved our New Equity Incentive Plan in a special stockholders meeting, which will become effective on March 29, 2019. Following the effectiveness of our New Equity Incentive Plan, we will not make any further grants under our Equity Incentive Plan, and our New Equity Incentive Plan will become our only plan for providing new equity-based awards. Outstanding awards under our Equity Incentive Plan will remain outstanding, unchanged and subject to the terms of our Equity Incentive Plan and their respective equity award agreements, until the vesting, expiration or lapse of such awards in accordance with their terms. See Item 11. "Executive Compensation—KKR & Co. Inc. Equity Incentive Plan."

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The following description is a summary of the material terms of the agreements described below, and does not contain all of the information that you may find useful. For additional information, you should read the copies of our exchange agreement, our registration rights agreement, our tax receivable agreement and the limited partnership agreements of the KKR Group Partnerships, all of which have been incorporated by reference as exhibits to this report.

Exchange Agreement

We have entered into an exchange agreement with KKR Holdings, the entity through which certain of our employees, including Messrs. Kravis, Roberts, Bae, Nuttall, Janetschek and Sorkin, hold their KKR Group Partnership Units. Pursuant to the exchange agreement, KKR Holdings or certain transferees of its KKR Group Partnership Units may, on a quarterly basis (subject to the terms of the exchange agreement), exchange KKR Group Partnership Units held by them (together with corresponding shares of Class C common stock) for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. At the election of certain of our intermediate holding companies that are partners of the KKR Group Partnerships, the intermediate holding companies may settle exchanges of KKR Group Partnership Units with cash in an amount equal to the fair market value of the shares of Class A common stock that would otherwise be deliverable in such exchanges. To the extent that KKR Group Partnership Units held by KKR Holdings or its transferees are exchanged for shares of our Class A common stock, our interests in the KKR Group Partnerships will be correspondingly increased. Any shares of Class A common stock received upon such exchange will be subject to any restrictions that were applicable to the exchanged KKR Group Partnership Units, including any applicable transfer restrictions. During the year ended December 31, 2018, 36,890,095 KKR Group Partnership Units were exchanged for shares of our Class A common stock pursuant to this agreement.

Certain interests in KKR Holdings that are held by our employees are subject to transfer restrictions and vesting requirements that, unless waived, modified or amended, limit the ability of our employees to cause KKR Group Partnership Units to be exchanged under the exchange agreement so long as applicable vesting and transfer restrictions apply. The general partner of KKR Holdings, which is controlled by our founders, will have sole authority for waiving any applicable vesting or transfer restrictions.

As contemplated by the exchange agreement, a coordinated selling program has been established relating to sales of shares of Class A common stock received pursuant to the exchanges by certain holders of KKR Holdings units. Pursuant to the program, sales generally take place quarterly, and management is permitted to establish an overall limit on such sales based upon the trading volume of our Class A common stock or any other factor that may be considered relevant.

Registration Rights Agreement

In connection with our NYSE listing, we entered into a registration rights agreement with KKR Holdings pursuant to which we granted KKR Holdings, its affiliates and transferees of its KKR Group Partnership Units the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act our Class A common stock (and other securities convertible into or exchangeable or exercisable for shares of our Class A common stock) held or acquired by them. Under the registration rights agreement, holders of registration rights will have the right to request us to register shares of our Class A common stock received upon the exchange of their KKR Holdings units and the sale of such shares and also have the right to require us to make available shelf registration statements permitting sales of shares of Class A common stock into the market from time to time over an extended period. In addition, holders of registration rights will have the ability to exercise certain piggyback registration rights in

connection with registered offerings requested by other holders of registration rights or initiated by us. On October 1, 2010, the registration statement we filed pursuant to this agreement was declared effective, and related post-effective amendments were declared effective on April 14, 2011, September 21, 2011 and July 10, 2018. As of December 31, 2018, 299,081,239 shares of Class A common stock remain unissued under that registration statement.

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Tax Receivable Agreement

We are required to acquire KKR Group Partnership Units from time to time pursuant to our exchange agreement with KKR Holdings. The KKR Group Partnerships have each 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 shares of Class A common stock occurs, which may result in an increase in our 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 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 we otherwise would 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 us to pay to KKR Holdings, or to current and former principals who have exchanged KKR Holdings units for shares of Class A common stock 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 we realize as a result of the increase in tax basis described above, as well as 85% of the amount of any such savings we actually realize as a result of increases in tax basis that arise due to future payments under the agreement. We expect to benefit from the remaining 15% of cash savings, if any, in income tax that we 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.

These payment obligations are obligations of KKR & Co. Inc. and certain of its intermediate holding companies and not of any KKR Group Partnership. Payments made under the tax receivable agreement are required to be made within 90 days of the filing of our tax returns, which may result in a timing difference between the tax savings received by KKR and the cash payments made to the exchanging holders of KKR Group Partnership Units. For purposes of the tax receivable agreement, cash savings in income tax will be computed by comparing our actual income tax liability to the amount of such taxes that we would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of the KKR Group Partnerships as a result of the exchanges of KKR Group Partnership Units and had we not entered into the tax receivable agreement. The term of the tax receivable agreement continues until all such tax benefits have been utilized or expired, unless we exercise our right to terminate the tax receivable agreement for an amount based on the agreed payments remaining to be made under the agreement.

Effective July 1, 2018, we amended the tax receivable agreement to reflect the Conversion. The amendment 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 the Conversion, for exchanges pursuant to the 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 U.S. federal corporate income tax rate not to exceed 21.0%. The 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.

Estimating the amount of payments that may be made under the tax receivable agreement is by its nature imprecise, insofar as the calculation of amounts payable depends on a variety of factors. The actual increase in tax basis, as well as the amount and timing of any payments under the tax receivable agreement, will vary depending upon a number of factors, including:

the timing of exchanges—for instance, the increase in any tax deductions will vary depending on the fair market value, which may fluctuate over time, of the KKR Group Partnership Units, which will depend on the fair market value of the depreciable or amortizable assets of the KKR Group Partnerships at the time of the transaction;

the price of our Class A common stock at the time of the exchange—the increase in any tax deductions, as well as the tax basis increase in other assets, of the KKR Group Partnerships is directly proportional to the price of our Class A common stock at the time of the exchange; and

the amount of tax, if any, we are required to pay aside from any tax benefit from the exchanges, and the timing of any such payment—if we do not have taxable income aside from any tax benefit from the exchanges, we will not be required to make payments under the tax receivable agreement for that taxable year because no tax savings will have been actually realized.

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We expect that as a result of the amount of the increases in the tax basis of the tangible and intangible assets of the KKR Group Partnerships, assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize the full tax benefit of the increased amortization of our assets, future payments under the tax receivable agreement will be substantial. The payments under the tax receivable agreement are not conditioned upon our principals' continued ownership of us and are required to be made within 90 days of the filing of our tax returns. For the year ended December 31, 2018, no payments were made to our principals, including our executive officers, or KKR Holdings. The independent directors of our board of directors are not eligible to receive payments under the tax receivable agreement.

We may terminate the tax receivable agreement at any time by making an early termination payment to KKR Holdings or its transferees, based upon the net present value (based upon certain assumptions in the tax receivable agreement) of all tax benefits that would be required to be paid by us to KKR Holdings or its transferees. In addition, the tax receivable agreement provides that upon certain mergers, asset sales, other forms of combination transactions or other changes of control, our or our successor's minimum obligations with respect to exchanged or acquired KKR Group Partnership Units (whether exchanged or acquired before or after such transaction) would be based on certain assumptions, including that we would have sufficient taxable income to fully utilize the increased tax deductions and increased tax basis and other benefits related to entering into the tax receivable agreement. In these situations, our obligations under the tax receivable agreement could have a substantial negative impact on our liquidity.

Decisions made by our senior principals in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes of control, may influence the timing and amount of payments that are received by an exchanging or selling holder of partner interests in the KKR Group Partnerships under the tax receivable agreement. For example, the earlier disposition of assets following an exchange or acquisition transaction will generally accelerate payments under the tax receivable agreement and increase the present value of such payments, and the disposition of assets before an exchange or acquisition transaction will increase a principals' tax liability without giving rise to any rights of a principal to receive payments under the tax receivable agreement.

Payments under the tax receivable agreement will be based upon the tax reporting positions that we will determine. We are not aware of any issue that would cause the IRS to challenge a tax basis increase. However, neither KKR Holdings nor its transferees will reimburse us for any payments previously made under the tax receivable agreement if such tax basis increase, or the tax benefits we claim arising from such increase, is successfully challenged by the IRS. As a result, in certain circumstances payments to KKR Holdings or its transferees under the tax receivable agreement could be in excess of our cash tax savings. Our ability to achieve benefits from any tax basis increase, and the payments to be made under this agreement, will depend upon a number of factors, as discussed above, including the timing and amount of our future income. See Item 1A. "Risk Factors—Risks Related to Our Organizational Structure—We will be required to pay our principals for most of the benefits relating to our use of tax attributes we receive from prior and future exchanges of our Class A common stock for KKR Group Partnership Units and related transactions."

KKR Group Partnership Agreements

We indirectly control the general partners of the KKR Group Partnerships and, through the KKR Group Partnerships and their subsidiaries, the KKR business. Our board of directors and our officers are ultimately responsible for all material decisions of the KKR Group Partnerships and the KKR Group Partnerships' businesses.

Pursuant to the limited partnership agreements of the KKR Group Partnerships, we, as the controlling general partner of KKR Fund Holdings L.P., KKR Management Holdings L.P. and KKR International Holdings L.P., have the indirect right to determine when distributions will be made to the holders of KKR Group Partnership Units and the

amount of any such distributions.

On March 17, 2016, in connection with the issuance of the 6.75% Series A preferred units of KKR & Co. L.P. and on June 20, 2016, in connection with the issuance of the 6.50% Series B preferred units of KKR & Co. L.P., the limited partnership agreements of the KKR Group Partnerships were amended to provide for preferred units with economic terms designed to mirror those of the Series A preferred units and Series B preferred units. Following the Conversion, the Series A preferred units and Series B preferred units of KKR & Co. L.P. became Series A Preferred Stock and Series B Preferred Stock of KKR & Co. Inc., respectively.

The limited partnership agreements of the KKR Group Partnerships provide for tax distributions to the holders of KKR Group Partnership Units if the general partners of the KKR Group Partnerships determine that distributions from the KKR Group Partnerships would otherwise be insufficient to cover the tax liabilities of a holder of a KKR Group Partnership Unit. Generally, these tax distributions will be computed based on our estimate of the net taxable income of the relevant partnership

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allocable to a holder of a KKR Group Partnership Unit multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses and the character of our income).

The limited partnership agreements of the KKR Group Partnerships authorize the general partners of the KKR Group Partnerships to issue an unlimited number of additional securities of the KKR Group Partnerships with such designations, preferences, rights, powers and duties that are different from, and may be senior to, those applicable to the KKR Group Partnerships Units, and which may be exchangeable for KKR Group Partnership Units.

Firm Use of Private Aircraft

Certain of our senior employees, including Messrs. Kravis and Roberts, own aircraft that we use for business purposes in the ordinary course of our operations. These senior employees paid for the purchase of these aircraft with their personal funds and bear all operating, personnel and maintenance costs associated with their operation. The hourly rates that we pay for the use of these aircraft are based on current market rates for chartering private aircraft of the same type. We incurred \$3.6 million for the use of these aircraft during the year ended December 31, 2018, of which substantially all was paid to entities collectively controlled by Messrs. Kravis and Roberts.

Side-By-Side and Other Investments

Because fund investors typically are unwilling to invest their capital in a fund unless the fund's manager also invests its own capital in the fund's investments, our investment fund documents generally require the general partners of our investment funds to make minimum capital commitments to the funds. The amount of these commitments, which are negotiated by fund investors, generally range from 2% to 8% of a fund's total capital commitments at final closing, but may be greater for certain funds pursuing new strategies. When investments are made, the general partner contributes capital to the fund based on its fund commitment percentage and if applicable, acquires a capital interest in the investment that is not subject to a carried interest. Historically, these capital contributions have been funded with cash from operations that otherwise would be distributed to our employees.

In connection with the KPE Transaction, we did not acquire capital interests in investments that were funded by our employees or others involved in our business prior to October 1, 2009. Rather, those capital interests were allocated to our employees or others involved in our business and are reflected in our financial statements as noncontrolling interests in consolidated entities to the extent that we hold the general partner interest in the fund. Any capital contributions that our private equity fund general partners are required to make to a fund will be funded by us and we will be entitled to receive our allocable share of the returns thereon.

In addition, certain of our current and former employees and certain other qualifying personnel are permitted to invest, and have invested, their own capital in our funds, in side-by-side investments with our funds and the firm, as well as in funds managed by our hedge fund partnerships. Side-by-side investments are investments generally made on the same terms and conditions as those available to the applicable fund or the firm and, they, together with their investments in our funds or the funds managed by our hedge fund partnerships, are not generally subject to management fees or a carried interest. The cash invested by our current and former employees and certain other qualifying personnel and their investment vehicles aggregated to \$415.0 million for the year ended December 31, 2018, of which \$35.5 million, \$61.1 million, \$15.5 million, \$7.3 million, \$2.0 million and \$0.9 million was invested by Messrs. Kravis, Roberts, Bae, Nuttall, Janetschek and Sorkin and their investment vehicles, respectively. These investments are not included in the accompanying consolidated financial statements. In addition, our funds invested \$2.0 million in 2018 from the commitments of certain investment vehicles associated with Mr. Hess. Such investments associated with Mr. Hess were made on the same terms and conditions as for other fund investors

including management fees and/or a carried interest applicable to the relevant fund.

Indemnification of Directors, Officers and Others

Under our certificate of incorporation, in most circumstances we will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts: (a) the Class B Stockholder; (b) KKR Management LLC in its capacity as the former general partner of KKR & Co. L.P. (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 us or our subsidiaries, any KKR Group Partnership, the Class B Stockholder or any Former Managing Partner or any affiliate of us or our subsidiaries, the Class B Stockholder or the

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Former Managing Partner; (e) any person who is or was serving at our request or any Former Managing Partner or any affiliate of us or any 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); or (f) any person designated by us as an indemnitee as permitted by applicable law.

We have agreed to provide this indemnification unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that these persons acted in bad faith or engaged in fraud or willful misconduct. We have also agreed to provide this indemnification for criminal proceedings. Any indemnification under these provisions will only be out of our assets. Unless it otherwise agrees, the Class B Stockholder will not be liable for, or have any obligation to contribute or loan any monies or property to us to enable us to effectuate, indemnification. The indemnification of the persons described above shall be secondary to any indemnification such person is entitled from another person or the relevant KKR fund to the extent applicable. We may purchase insurance against liabilities asserted against and expenses incurred by persons in connection with its activities, regardless of whether we would have the power to indemnify the person against liabilities under our certificate of incorporation. We currently maintain liability insurance for our directors and officers. Such insurance would be available to our directors and officers in accordance with its terms.

In addition, we have entered into indemnification agreements with KKR Management LLC and each of our directors. Each indemnification agreement provides that the indemnitee, subject to the limitations set forth in each indemnification agreement, will be indemnified and held harmless by us 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 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 such indemnification agreement. Each indemnification agreement provides 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 court of competent jurisdiction determining that, in respect of the matter for which the indemnitee is seeking indemnification pursuant to the indemnification agreement, the indemnitee acted in bad faith or engaged in fraud or willful misconduct.

Guarantee of Contingent Obligations to Fund Partners; Indemnification

The partnership documents governing KKR's carry-paying investment funds 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. As of December 31, 2018, no carried interest was subject to this clawback obligation, assuming that all applicable carry-paying funds were liquidated at their December 31, 2018 fair values. Had the investments in such funds been liquidated at zero value, the clawback obligation would have been approximately \$2.0 billion. Carried interest is recognized in the 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 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.

Facilities

Certain trusts, whose beneficiaries include children of Mr. Kravis and Mr. Roberts, and certain other senior employees who are not executive officers of the Company, are partners in a real-estate based partnership that maintains an ownership interest in our Menlo Park location. Payments made from us to this partnership aggregated \$7.9 million for the year ended December 31, 2018.

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Confidentiality and Restrictive Covenant Agreements

Our employees have entered into confidentiality and restrictive covenant agreements that include prohibitions on our employees competing with us or soliciting clients or employees of our firm during a restricted period following their departure from the firm. For further information on these agreements, see "Executive Compensation—Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards in 2018—Terms of Confidentiality and Restrictive Covenant Agreements."

Other Transactions with Related Persons

We have and may in the future continue to enter into ordinary course transactions with unaffiliated entities known to us to beneficially own more than 5% of any class of our outstanding voting securities. These transactions may include investments by them in our funds generally on the same terms and conditions offered to other unaffiliated fund investors and participation in our capital markets transactions, including underwritings and syndications, generally on the same terms and conditions offered to other unaffiliated capital markets participants. See "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters."

Certain affiliates of FMR LLC ("Fidelity"), which reported beneficial ownership of more than 5% of our Class A common stock during a portion of 2018, provide services to us in connection with the investment management, record keeping and administration of our Equity Incentive Plan and our retirement savings plans for which they received customary fees and expenses not in excess of \$1.2 million, although certain of these fees are paid by participants in the respective plans. Affiliates of Fidelity have invested or committed to invest approximately \$95.0 million as of December 31, 2018, in our investment vehicles. Fidelity and its affiliates have in the past and may in the future participate in offerings, syndications or similar transactions with our capital markets business, including in certain cases where equity of KKR portfolio companies are offered to Fidelity's retail and institutional brokerage customers, on the same terms and conditions provided to other participants in such transactions. For the year ended December 31, 2018, in connection with such transactions affiliates of Fidelity received selling concessions of approximately \$850,000 in the aggregate, which were borne by the underwriters in such transactions. Affiliates of Fidelity may also sell shares of Class A common stock owned by our employees, including our executive officers and directors, in ordinary brokerage transactions from time to time.

Statement of Policy Regarding Transactions with Related Persons

Our board of directors adopted a written statement of policy for our partnership regarding transactions with related persons (our "related person policy"). Our related person policy requires that a "related person" (as defined as in Item 404(a) of Regulation S-K) must promptly disclose to our General Counsel or other designated person any "related person transaction" (defined as any transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships, including, without limitation, any loan, guarantee of indebtedness, transfer or lease of real estate, or use of company property that is reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds \$120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. Those individuals will then communicate that information to the board of directors. No related person transaction will be consummated without the approval or ratification of a committee of the board consisting exclusively of disinterested directors; provided, however, the conflicts committee of our board of directors has pre-approved: certain ordinary course transactions with persons known to us to beneficially own more than 5% of our outstanding Class A common stock on terms generally not less favorable as obtained from other third parties, including investments in our funds as limited partners and participation in capital markets transactions like underwritings and syndications; the renewal of pre-existing strategic relationships with an owner of more than 5% of our outstanding Class A common stock; the use of aircraft owned by

our senior employees for business purposes; certain investments by eligible employees in our funds, in side-by-side investments with our funds and the firm, as well as in funds managed by our hedge fund partnerships; and certain pro rata cash contributions to the KKR Group Partnerships for cash management purposes. It is our policy that directors interested in a related person transaction will recuse themselves from any vote on a related person transaction in which they have an interest.

Director Independence

See Item 10. "Directors, Executive Officers and Corporate Governance—Independence and Composition of the Board of Directors" for information on director independence.

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ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table summarizes the aggregate fees for professional services provided by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu Limited or their respective affiliates (collectively, the "Deloitte Entities") for the years ended December 31, 2018 and 2017.

	For the Year Ended December 31, 2018		
	KKR	Completed Transactions	
	(\$ in thousands)		
Audit Fees	\$27,283 ⁽¹⁾	\$ —	
Audit-Related Fees	\$12,943 ⁽²⁾	\$ 22,774	(4)
Tax Fees	\$43,688 ⁽³⁾	\$ 9,401	(4)
All Other Fees	\$—	\$ —	
	For the Year Ended December 31, 2017		
	KKR	Completed Transactions	
	(\$ in thousands)		
Audit Fees	\$21,197 ⁽¹⁾	\$ —	
Audit-Related Fees	\$11,432 ⁽²⁾	\$ 13,603	(4)
Tax Fees	\$33,946 ⁽³⁾	\$ 8,034	(4)
All Other Fees	\$24 ⁽⁵⁾	\$ —	

Audit Fees consisted of estimated fees for each audit year for (a) the audits of our consolidated financial statements in our Annual Report on Form 10-K and services related to, or required by, statute or regulation; (b) reviews of the (1) interim condensed consolidated financial statements included in our quarterly reports on Form 10-Q; (c) comfort letters, consents and other services related to SEC and other regulatory filings; and (d) audit services provided to certain KKR funds which are not consolidated and other corporate entities.

(2) Audit-Related Fees primarily included merger, acquisition, and investment due diligence services for strategic acquisitions or investments in target companies for in-process transactions and transactions not completed.

Tax Fees consisted of fees for services rendered for tax compliance, planning and advisory services as well as tax (3) fees for merger, acquisition, and investment due diligence services for strategic acquisitions or investments in target companies for in-process transactions and transactions not completed.

Audit-Related Fees and Tax Fees included merger, acquisition, and investment due diligence services for strategic (4) acquisitions or investments in portfolio companies that have been completed. In addition, the Deloitte Entities provided audit, audit-related, tax and other services to the portfolio companies, which are approved directly by the portfolio company's management and are not included in the amounts presented here.

(5) All Other Fees in 2017 included real estate advisory services.

Our audit committee charter, which is available on our website at www.kkr.com under "Investor Center—KKR & Co. Inc.—Corporate Governance—Audit Committee Charter", requires the audit committee to approve in advance all audit and non-audit related services to be provided by our independent registered public accounting firm in accordance with the audit and non-audit related services pre-approval policy. All services reported in the Audit, Audit-Related, Tax, and All Other categories above were approved by the audit committee.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report.

1. Financial Statements

See Item 8 above.

2. Financial Statement Schedules:

See Schedule II - Valuation and Qualifying Accounts - Years Ended December 31, 2018, 2017 and 2016 of this Annual Report on Form 10-K. The other schedules are omitted as they are not applicable or the amounts involved are not material.

3. Exhibits:

Merger Agreement, dated as of December 16, 2013, among KKR & Co. L.P., KKR Fund Holdings L.P., Copal Merger Sub LLC, a Delaware limited liability company and KKR Financial Holdings LLC (incorporated by reference to Exhibit 2.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on December 17, 2013).

2.1 Plan of Conversion (incorporated by reference to Exhibit 2.1 of KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).

2.2 Certificate of Conversion of KKR & Co. L.P. (incorporated herein by reference to Exhibit 3.1 of KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).

3.1 Certificate of Incorporation of KKR & Co. Inc. (incorporated herein by reference to Exhibit 3.2 KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).

3.2 Bylaws of KKR & Co. Inc. (incorporated herein by reference to Exhibit 3.3 of KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).

3.3 Indenture dated as of September 29, 2010 among KKR Group Finance Co. LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P. and The Bank of New York Mellon Trust Company, N. A., as trustee (incorporated by reference to Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on September 30, 2010).

4.1 First Supplemental Indenture dated as of September 29, 2010 among KKR Group Finance Co. LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P. and The Bank of New York Mellon Trust Company, N. A., as trustee (incorporated by reference to Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on September 30, 2010).

4.2 Second Supplemental Indenture dated as of August 5, 2014 among KKR Group Finance Co. LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR International Holdings L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on August 7, 2014).

- 4.4 Form of 6.375% Senior Note due 2020 (included in Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on September 30, 2010).
Indenture dated as of February 1, 2013 among KKR Group Finance Co. II LLC, KKR & Co. L.P., KKR
- 4.5 Management Holdings L.P., KKR Fund Holdings L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on February 1, 2013).

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- 4.6 First Supplemental Indenture dated as of February 1, 2013 among KKR Group Finance Co. II LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on February 1, 2013).
- 4.7 Second Supplemental Indenture dated as of August 5, 2014 among KKR Group Finance Co. II LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR International Holdings L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on August 7, 2014).
- 4.8 Form of 5.500% Senior Note due 2043 (included in Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on February 1, 2013).
- 4.9 Registration Rights Agreement of KKR & Co. L.P., dated as of February 19, 2014, by and among KKR & Co. L.P. and the sellers of Avoca listed on the signature pages thereto (included in Exhibit 4.8 to the KKR & Co. Inc. Annual Report on Form 10-K filed on February 24, 2014).
- 4.10 Indenture dated as of May 29, 2014 among KKR Group Finance Co. III LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P. and The Bank of New York Mellon Trust Company, N. A., as trustee (incorporated by reference to Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 29, 2014).
- 4.11 First Supplemental Indenture dated as of May 29, 2014 among KKR Group Finance Co. III LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P. and The Bank of New York Mellon Trust Company, N. A., as trustee (incorporated by reference to Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 29, 2014).
- 4.12 Second Supplemental Indenture dated as of August 5, 2014 among KKR Group Finance Co. III LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR International Holdings L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.3 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on August 7, 2014).
- 4.13 Form of 5.125% Senior Note due 2044 (included in Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on May 29, 2014).
- 4.14 Indenture dated as of March 23, 2018 among KKR Group Finance Co. IV LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR International Holdings L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on March 23, 2018).
- 4.15 First Supplemental Indenture dated as of March 23, 2018 among KKR Group Finance Co. IV LLC, KKR & Co. L.P., KKR Management Holdings L.P., KKR Fund Holdings L.P., KKR International Holdings L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on March 23, 2018).
- 4.16 Form of 0.509% Senior Note due 2023 (included in Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on March 23, 2018).

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- 4.17 Form of 0.764% Senior Note due 2025 (included in Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on March 23, 2018).
- 4.18 Form of 1.595% Senior Notes due 2038 (included in Exhibit 4.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on March 23, 2018).
- 4.19 Form of 6.75% Series A Preferred Stock Certificate (included in Exhibit 2.1 to the KKR & Co. Inc. Quarter Report on Form 10-Q filed on May 8, 2018).

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- 4.20 Form of 6.50% Series B Preferred Stock Certificate (included in Exhibit 2.1 to the KKR & Co. Inc. Quarter Report on Form 10-Q filed on May 8, 2018).
- 4.21 Indenture, dated as of November 15, 2011, between the KKR Financial Holdings LLC and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the KKR Financial Holdings LLC Current Report on Form 8-K filed on November 15, 2011).
- 4.22 Indenture, dated as of March 30, 2017, between KKR Financial Holdings LLC and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.1 to the KKR Financial Holdings LLC Current Report on Form 8-K filed on March 30, 2017).
- 4.23 First Supplemental Indenture, dated as of March 30, 2017, between KKR Financial Holdings LLC and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the KKR Financial Holdings LLC Current Report on Form 8-K filed on March 30, 2017).
- 4.24 Second Supplemental Indenture dated as of November 17, 2017 among KKR Financial Holdings LLC and The Bank of New York Mellon Trust Company, N. A., as trustee (incorporated by reference to Exhibit 4.3 to the KKR Financial Holdings LLC Current Report on Form 8-K filed on November 11, 2017).
- 4.25 Form of 5.50% Senior Note due 2032 of KKR Financial Holdings LLC (incorporated by reference to Exhibit 4.2 to the KKR Financial Holdings LLC Current Report on Form 8-K filed on March 30, 2017).
- 4.26 Registration Rights Agreement, dated as of November 2, 2015, by and among KKR & Co. L.P., MW Group (GP) LTD and the other persons listed on the signature pages thereto (incorporated by reference to Exhibit 4.1 of the KKR & Co. Inc. Registration Statement on Form S-3 (No. 333-208019) filed on November 13, 2015).
- 4.27 Registration Rights Agreement Amendment, dated as of November 30, 2017, between KKR & Co. L.P. and the Covered Persons Representative (incorporated by reference to Exhibit 4.22 to the KKR & Co. Inc. Annual Report on Form 10-K filed on February 23, 2018).
- 4.28 Registration Rights Agreement Amendment, dated as of November 30, 2018, between KKR & Co. Inc. and the Covered Persons Representative (as defined therein).
- 10.1 Second Amended and Restated Limited Partnership Agreement of KKR Management Holdings L.P. dated October 1, 2009 (incorporated by reference to Exhibit 10.1 of the KKR & Co. Inc. Registration Statement on Form S-1 (File No. 333-165414) filed on March 12, 2010).
- 10.1.1 Amendment No. 1 to the Second Amended and Restated Limited Partnership Agreement of KKR Management Holdings L.P., dated March 17, 2016 (incorporated by reference to Exhibit 10.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on March 17, 2016).
- 10.1.2 Amendment No. 2 to the Second Amended and Restated Limited Partnership Agreement of KKR Management Holdings L.P., dated June 20, 2016 (incorporated by reference to Exhibit 10.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on June 20, 2016).
- 10.1.3 Amendment No. 3 to the Second Amended and Restated Limited Partnership Agreement of KKR Management Holdings L.P., dated May 3, 2018 (incorporated by reference to Exhibit 10.3 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).

10.2 Second Amended and Restated Limited Partnership Agreement of KKR Fund Holdings L.P. dated October 1, 2009 (incorporated by reference to Exhibit 10.2 of the KKR & Co. Inc. Registration Statement on Form S-1 (File No. 333-165414) filed on March 12, 2010).

10.2.1 Amendment to Second Amended and Restated Limited Partnership Agreement of KKR Fund Holdings L.P. dated August 5, 2014 (incorporated by reference to Exhibit 10.3 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on August 7, 2014).

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- 10.2.2 Amendment to Second Amended and Restated Limited Partnership Agreement of KKR Fund Holdings L.P., dated March 17, 2016 (incorporated by reference to Exhibit 10.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on March 17, 2016).
- 10.2.3 Amendment to Second Amended and Restated Limited Partnership Agreement of KKR Fund Holdings L.P., dated June 20, 2016 (incorporated by reference to Exhibit 10.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on June 20, 2016).
- 10.2.4 Amendment to Second Amended and Restated Limited Partnership Agreement of KKR Fund Holdings L.P., dated May 3, 2018 (incorporated by reference to Exhibit 10.4 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).
- 10.3 Amended and Restated Limited Partnership Agreement of KKR International Holdings L.P., dated August 5, 2014 (incorporated by reference to Exhibit 10.1 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on August 7, 2014).
- 10.3.1 Amendment to Amended and Restated Limited Partnership Agreement of KKR International Holdings L.P., dated March 17, 2016 (incorporated by reference to Exhibit 10.3 to the KKR & Co. Inc. Current Report on Form 8-K filed on March 17, 2016).
- 10.3.2 Amendment to Amended and Restated Limited Partnership Agreement of KKR International Holdings L.P., dated June 20, 2016 (incorporated by reference to Exhibit 10.3 to the KKR & Co. Inc. Current Report on Form 8-K filed on June 20, 2016).
- 10.3.3 Amendment to Amended and Restated Limited Partnership Agreement of KKR International Holdings L.P., dated May 3, 2018 (incorporated by reference to Exhibit 10.5 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).
- 10.4 Registration Rights Agreement dated July 14, 2010, by and among KKR & Co. L.P., KKR Holdings L.P. and the persons from time to time party thereto (incorporated by reference to Exhibit 10.2 to the KKR & Co. Inc. Current Report on Form 8-K filed on July 20, 2010).
- 10.5 * Amended and Restated KKR & Co. Inc. 2010 Equity Incentive Plan (incorporated by reference to Exhibit 4.4 to the KKR & Co. Inc. Post-Effective Amendment No. 1 to Form S-8 filed on July 2, 2018).
- 10.6 * KKR & Co. Inc. 2019 Equity Incentive Plan (incorporated herein by reference to Appendix A to the KKR & Co. Inc. definitive proxy statement filed on December 14, 2018).
- 10.7 Tax Receivable Agreement, dated as of July 14, 2010, among KKR Holdings L.P., KKR Management Holdings Corp., KKR & Co. L.P., KKR Management Holdings, L.P., and other persons who executed a joinder thereto (incorporated by reference to Exhibit 10.3 to the KKR & Co. Inc. Current Report on Form 8-K filed on July 20, 2010).
- 10.8 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. (incorporated by reference to Exhibit 10.1 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).

10.9 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. (incorporated by reference to Exhibit 10.2 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).

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- 10.10 Amended and Restated Credit Agreement, dated as of December 7, 2018, among Kohlberg Kravis Roberts & Co. L.P., KKR Fund Holdings L.P., KKR Management Holdings L.P. and KKR International Holdings L.P., the other borrowers from time to time party thereto, the guarantors from time to time party thereto, the lending institutions from time to time party thereto and HSBC Bank USA, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.1 to the KKR & Co. Inc. Current Report on Form 8-K filed on December 7, 2018).
- 10.11 † 364-Day Revolving Credit Agreement, dated as of June 28, 2018, among KKR Capital Markets Holdings L.P., certain subsidiaries of KKR Capital Markets Holdings L.P., each of the Lenders (as defined therein), and Mizuho Bank, Ltd., as administrative agent (incorporated by reference to Exhibit 10.2 to the KKR & Co. Inc. Quarterly Report on For 10-Q filed on August 3, 2018).
- 10.12 First Amendment, dated as of November 14, 2018, to the 364-Day Revolving Credit Agreement, dated as of June 28, 2018, among KKR Capital Markets Holdings L.P., certain subsidiaries of KKR Capital Markets Holdings L.P., the Majority Lenders (as defined therein) and Mizuho Bank, Ltd., as administrative agent.
- 10.13 First Amendment, dated as of June 29, 2017, to Second Amended and Restated 5-Year Revolving Credit Agreement, dated as of March 30, 2016, among KKR Capital Markets Holdings L.P., certain subsidiaries of KKR Capital Markets Holdings L.P., the Majority Lenders (as defined therein), and Mizuho Bank, Ltd., as administrative agent (incorporated by reference to Exhibit 10.2 to the KKR & Co. Inc. Quarterly Report on For 10-Q filed August 4, 2017).
- 10.14 Second Amendment, dated as of November 14, 2018, to the Second Amended and Restated 5-Year Revolving Credit Agreement, dated as of March 30, 2016, among KKR Capital Markets Holdings L.P., certain subsidiaries of KKR Capital Markets Holdings L.P., the Majority Lenders (as defined therein), and Mizuho Bank, Ltd., as administrative agent.
- 10.15* Form of Indemnification Agreement for Directors of KKR & Co. Inc. (incorporated by reference to Exhibit 10.7 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).
- 10.16 Indemnification Agreement, dated as of May 3, 2018, between KKR & Co. L.P. and KKR Management LLC (incorporated by reference to Exhibit 10.6 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on May 8, 2018).
- 10.17* Independent Director Compensation Program (incorporated by reference to Exhibit 10.2 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on November 2, 2018).
- 10.18* Form of Public Company Holdings Unit Award Agreement of KKR & Co. L.P. (Executive Officers) (incorporated by reference to Exhibit 10.17 of the KKR & Co. Inc. Annual Report on Form 10-K filed on February 27, 2015).
- 10.19* Form of Public Company Holdings Unit Award Agreement of KKR & Co. L.P. (Executive Officers) (incorporated by reference to Exhibit 10.19 of the KKR & Co. Inc. Annual Report on Form 10-K filed on February 26, 2016).
- 10.20* Form of Public Company Holdings Unit Award Agreement of KKR & Co. L.P. (Executive Officers) (incorporated by reference to Exhibit 10.18 of the KKR & Co. Inc. Annual Report on Form 10-K filed on February 24, 2017).

10.21 * Form of Grant Certificate (Executive Officers) (incorporated by reference to Exhibit 10.19 of the KKR & Co. Inc. Annual Report on Form 10-K filed on February 24, 2017).

10.22 * Form of Grant Certificate (Executive Officers) (incorporated by reference to Exhibit 10.23 of the KKR & Co. Inc. Annual Report on Form 10-K filed on February 23, 2018).

10.23 * Form of Public Company Holdings Unit Award Agreement of KKR & Co. L.P. (Executive Officers) (Market Price Vesting) (incorporated by reference to Exhibit 10.24 of the KKR & Co. Inc. Annual Report on Form 10-K filed on February 23, 2018).

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- 10.24* Form of Public Company Holdings Unit Award Agreement of KKR & Co. L.P. (Executive Officers) (Service Vesting) (incorporated by reference to Exhibit 10.25 of the KKR & Co. Inc. Annual Report on Form 10-K filed on February 23, 2018).
- 10.25* Form of Public Company Equity Unit Award Agreement of KKR & Co. Inc. (Directors) (incorporated by reference to Exhibit 10.3 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on November 2, 2018).
- 10.26* Form of Public Company Holdings Unit Award Agreement of KKR & Co. Inc. (Executive Officers) (incorporated by reference to Exhibit 10.4 to the KKR & Co. Inc. Quarterly Report on Form 10-Q filed on November 2, 2018).
- 10.27 Development Agreement, dated as of October 28, 2015, by and between ERY Developer LLC and KKR HY LLC (incorporated by reference to Exhibit 10.23 of the KKR & Co. Inc. Annual Report on Form 10-K filed on February 26, 2016).
- 21.1 Subsidiaries of the Registrant.
- 23.1 Consent of Independent Registered Public Accounting Firm Relating to the Financial Statements of KKR & Co. Inc.
- 31.1 Certification of Co-Chief Executive Officer pursuant to Rule 13a-14(a) and 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) and 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) and 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.
- 101 Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Statements of Financial Condition as of December 31, 2018 and December 31, 2017, (ii) the Consolidated Statements of Operations for the years ended December 31, 2018, 2017 and 2016, (iii) the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2018, 2017 and 2016, (iv) the Consolidated Statements of Changes in Equity for the years ended December 31, 2018, 2017 and 2016 (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2018, 2017 and 2016, and (vi) the Notes to the Consolidated Financial Statements.

*Management contract or compensatory plan in which directors and/or executive officers are eligible to participate.

†

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Certain portions have been omitted in accordance with a request for confidential treatment that the registrant has submitted to the SEC. Omitted information has been filed separately with the SEC.

The registrant hereby agrees to furnish to the SEC at its request copies of long-term debt instruments defining the rights of holders of outstanding long-term debt that are not required to be filed herewith.

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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.

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SCHEDULE

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

Valuation Allowance for Deferred Tax Assets

(in thousands)

		Tax Valuation Allowance Charged to Income Tax Provision	Tax Valuation Allowance Credited to Income Tax Provision	Balance at End of Period
Year Ended:	Balance at Beginning of Period			
December 31, 2016	\$ 19,781	\$ —	\$ 10,013	(1) \$9,768
December 31, 2017	\$ 9,768	\$ 2,104	\$ —	\$11,872
December 31, 2018	\$ 11,872	\$ —	\$ 11,872	(1) \$—

(1) The valuation allowance related to a deferred tax asset for foreign tax credit carryovers is no longer applicable, as KKR elected to deduct its foreign tax credit carryovers in lieu of taking a tax credit.

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ITEM 16. FORM 10-K SUMMARY

None.

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SIGNATURES

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

Date: February 15, 2019

KKR & CO. INC.

/s/ WILLIAM J. JANETSCHEK

Name: William J. Janetschek

Title: Chief Financial Officer

Pursuant to the requirements of the Exchange Act of 1934 this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated below on the dates indicated below.

Signature	Title	Date
/s/ HENRY R. KRAVIS Henry R. Kravis	Co-Chairman and Co-Chief Executive Officer (principal executive officer)	February 15, 2019
/s/ GEORGE R. ROBERTS George R. Roberts	Co-Chairman and Co-Chief Executive Officer (principal executive officer)	February 15, 2019
/s/ JOSEPH Y. BAE Joseph Y. Bae	Director, Co-President and Co-Chief Operating Officer	February 15, 2019
/s/ SCOTT C. NUTTALL Scott C. Nuttall	Director, Co-President and Co-Chief Operating Officer	February 15, 2019
/s/ MARY N. DILLON Mary N. Dillon	Director	February 15, 2019
/s/ DAVID C. DRUMMOND David C. Drummond	Director	February 15, 2019
/s/ JOSEPH A. GRUNDFEST Joseph A. Grundfest	Director	February 15, 2019
/s/ JOHN. B. HESS John. B. Hess	Director	February 15, 2019
/s/ XAVIER B. NIEL Xavier B. Niel	Director	February 15, 2019
/s/ PATRICK F. RUSSO Patricia F. Russo	Director	February 15, 2019
/s/ THOMAS M. SCHOEWE Thomas M. Schoewe	Director	February 15, 2019

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/s/ ROBERT W. SCULLY
Robert W. Scully

Director

February 15, 2019

/s/ WILLIAM J.
JANETSCHEK
William J. Janetschek

Chief Financial Officer (principal financial and accounting
officer)

February 15, 2019

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