

OAKTREE CAPITAL GROUP, LLC
CORPORATE GOVERNANCE GUIDELINES

The Board of Directors (the “Board of Directors”) of Oaktree Capital Group, LLC (the “Company”) is governed by the following general principles:

- A. Open communication between the Board of Directors and management is important to the Company’s long-term success. Management is responsible for creating, developing and implementing the business strategy of the Company and providing oversight of the Company’s operations. The Board of Directors is responsible for reviewing the strategy and guiding its implementation in the context of the overall scope of the business of the Company and the interests of its unitholders and clients. Management is responsible for operating the Company in an effective and ethical manner to produce long-term value for its unitholders and clients. Senior management and the Board of Directors are expected to understand the sources of the Company’s income and what risks the Company is undertaking in the course of carrying out its business.
- B. Management is responsible, under the oversight of the Board of Directors and its Audit Committee, for producing financial statements that fairly present the financial condition and results of operations of the Company, and for making the timely, understandable and complete disclosures that current and prospective unitholders need to assess the business and risks of the Company.

Based on the preceding principles, the Board of Directors has adopted the following governance policies:

I. THE BOARD OF DIRECTORS’ RESPONSIBILITIES AND DUTIES

In addition to its general responsibility to oversee management, the Board of Directors is also responsible for performing a number of specific functions.

- A. Directors are expected to attend Board of Directors meetings and meetings of the committees on which they serve, and to spend the time needed to carry out their responsibilities as directors, including reviewing in advance, to the extent practicable, all materials for meetings, serving on committees of the Board of Directors, preparing for meetings and for discussions with management and meeting as frequently as necessary to discharge those responsibilities properly.
- B. The Board of Directors is expected to review fundamental financial and business strategies and review and approve major actions by the Company.
- C. The Board of Directors is expected to monitor and oversee the Company’s financial position.
- D. The Board of Directors is expected to understand the Company’s business, industry and primary risks.
- E. Directors are expected to be familiar with and to adhere to the Company’s Code of Ethics, including, for example, its provisions governing conflicts of interest.

II. BOARD OF DIRECTORS COMPOSITION, POLICIES AND COMPENSATION

A. **Selection of Directors:** The Third Amended and Restated Operating Agreement of the Company, dated as of August 31, 2011 (as amended or restated from time to time, the “Operating Agreement”), provides that for so long as the Company’s senior executives, their successors or affiliated entities (other than the Company or its subsidiaries), including Oaktree Capital Group Holdings, L.P., collectively hold, directly or indirectly, at least 10% of the aggregate outstanding Oaktree Operating Group units, the Company’s manager, Oaktree Capital Group Holdings GP, LLC, will be entitled to elect and remove members of the Board of Directors, fill vacancies on the Board of Directors and determine from time to time the number of directors which shall constitute the whole Board of Directors.

B. **Director Qualification Standards:** Candidates for nomination to the Board of Directors will be considered based on the following standards: (a) minimum individual qualifications, including strength of character, mature judgment, industry knowledge or experience and an ability to work collegially with the other members of the Board of Directors and (b) all other factors considered appropriate, which may include existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations, corporate governance background, financial and accounting background and the size, composition and combined expertise of the existing Board of Directors.

C. **Changes in Present Job Responsibility or Retirement:** Because of the importance of knowledge of the Company and of continuity, a director who retires or changes from the position he or she held when joining the Board of Directors should not necessarily leave the Board of Directors upon such retirement or change of position. There should, however, be an opportunity to review the continued appropriateness of the director’s membership on the Board of Directors under these circumstances. As a result, every director should notify the Board of Directors of his or her retirement, any change in employer, any acceptance of an invitation to serve on another corporate board, any other significant change in professional roles and responsibilities and any actual or potential conflict of interest.

D. **Term or Age Limits:** The Board of Directors does not believe that it is in the best interest of the Company to establish term or age limits for directors at this time. While limits may promote fresh ideas and viewpoints, they may also result in the loss of the contribution of directors who have been able to develop, over a period of time, insight into the Company, the continuity of its strategy and its operations, its culture and management and a working relationship with the other directors and, therefore, a long-serving director can provide an increasingly significant contribution to the Board of Directors.

E. **Compensation:** Management directors will not receive any compensation for serving as directors. The non-management directors’ compensation will be determined by the Board of Directors. The compensation of such directors should fairly reward them for their efforts on behalf of the Company and should be structured to align their interests with the long-term interests of the Company’s unitholders and clients. The Board of

Directors may seek outside expertise to determine the appropriateness and competitiveness of its compensation.

F. **Conflicts:** If a director has a personal interest in a matter before the Board of Directors, the director shall disclose the interest to the Board of Directors or a committee or subcommittee thereof and, if appropriate under the circumstances, recuse himself or herself from participation in the discussion of the matter and shall not vote on the matter. Any such matter that is considered a “Related Person Transaction” as defined under the Company’s Related Person Transaction Policy shall be reviewed and approved pursuant to the procedures set forth in the Company’s Related Person Transaction Policy.

III. CATEGORICAL STANDARDS FOR DIRECTOR INDEPENDENCE

A. The Board of Directors shall make an affirmative determination at least annually as to each director’s independence based on applicable regulatory and stock exchange requirements and these standards. The Board of Directors’ determination, and the basis for such determination, shall, to the extent required, be disclosed in the Company’s annual report on Form 10-K.

B. An “independent” director shall be defined to mean a director who is determined by the Board of Directors to be “independent” under the rules of the New York Stock Exchange, Inc. (the “NYSE”) and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and otherwise has no direct or indirect material relationship with the Company (either directly or as a partner, security holder or officer of an organization that has a relationship with the Company) that would interfere with the exercise of independent judgment by such director, as determined by the Board of Directors.

C. The Board of Directors, in its business judgment, will determine, based on all relevant facts and circumstances and in a manner consistent with the standards set forth under the rules of the NYSE and Rule 10A-3(b)(1) of the Exchange Act, whether a director has a relationship with the Company or its management that would interfere with such director’s exercise of his or her independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board of Directors will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and the Company’s management. As the concern is independence from management, the Board of Directors does not view ownership of even a significant amount of the Company’s securities, by itself, as a bar to an independence finding.

1. The following commercial or charitable relationships will not be considered to be material relationships that would impair a director’s independence:

- a) if the director or an Immediate Family¹ member of that director serves as an officer,² director or trustee of a charitable organization, and the Company's annual charitable contributions to that organization (excluding contributions by the Company under any established matching gift program) are less than the greater of \$1,000,000 or two percent (2%) of that organization's consolidated gross revenues in its most recent fiscal year; and
 - b) if the director, an Immediate Family member of that director or any family trust or other estate planning vehicle controlled by the director or such family member (or a company for which the director serves as a director or officer) invests in or alongside one or more investment funds or investment companies managed by the Company or any of its subsidiaries, whether or not fees or other incentive arrangements for the Company or its subsidiaries are borne by the investing person.
2. For relationships not covered by the standards contained herein, the determination of whether or not the relationship is material, and therefore whether the director is independent, shall be made by the Board of Directors.
 3. The Board of Directors may determine that a director who has a relationship that exceeds the limits described in clause (a) of Article III.C.1 above is nonetheless independent, so long as such relationship is otherwise consistent with the rules of the NYSE and Rule 10A-3(b)(1) of the Exchange Act. The basis for any such determination will, to the extent required, be explained in the Company's annual report on Form 10-K.

IV. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has established the following committees to assist it in discharging its responsibilities: (i) Audit and (ii) Executive. The current charter of the Audit Committee is published on the Company's website. The committee chairmen shall report regularly to the Board of Directors summarizing their committees' actions and any significant issues considered by the committees. The Audit Committee and the Executive Committee may hold meetings in conjunction with meetings of the full Board of Directors. The Audit Committee shall be comprised of no fewer than three members, each of whom must satisfy the requirements set forth in the Audit Committee charter and all applicable regulatory and stock exchange requirements. The Executive Committee shall be comprised of such members as the Board of Directors may decide and shall be authorized to perform the functions of the Board of Directors between regular meetings of the full Board of Directors.

¹ "Immediate Family" means a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares such person's home, but excluding any person who is no longer an immediate family member as a result of legal separation or divorce, or death or incapacitation.

² As such term is defined in Rule 16a-1(f) under the Exchange Act.

V. RELATIONSHIP OF THE BOARD OF DIRECTORS TO MANAGEMENT

A. To enhance open communication between the Board of Directors and management, the Board of Directors may periodically invite officers of the Company or its subsidiaries to attend Board of Directors meetings. The General Counsel of the Company has an open invitation to attend Board of Director meetings.

B. From time to time, the Board of Directors, each of its committees and the Company may engage outside advisors to provide advice on specific issues. These advisors may also be invited to attend Board of Directors meetings. The Board of Directors and each of its committees may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

C. To ensure free and open discussion and communication among non-management directors, the non-management directors will meet in executive sessions regularly with no members of management present. The non-management directors will establish and publicly disclose in the Company's annual report on Form 10-K the procedure by which a presiding director is selected for each executive session. In addition, the directors who meet the independence standards of the New York Stock Exchange should meet in an executive session at least once a year with no members of management or non-independent directors present.

D. Members of the Board of Directors will have access to the Company's management, and members will exercise judgment to ensure that contact with management is not distracting to the business operations of the Company.

E. In performing its functions, the Board of Directors will be entitled to rely on reports and opinions of management, counsel, accountants, auditors and other advisors. In addition, as necessary and appropriate, the Board of Directors and each of its committees may consult with independent legal, financial, accounting and other advisors, at the Company's expense, to assist in their duties to the Company and its unitholders. The Board of Directors or such committee shall have the authority to retain, terminate and approve the fees and other terms of retention of any such advisors.

VI. MANAGEMENT SUCCESSION

The Executive Committee will review periodically with the Board of Directors senior management succession planning and development, both in the event of an emergency and in the ordinary course of business. The succession plan should include, among other things, an assessment of the experience, performance and skills for possible successors.

VII. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

New directors will be provided with appropriate orientation programs to assist them with fulfilling their responsibilities. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business.

VIII. COMMUNICATING WITH THE BOARD OF DIRECTORS

Unitholders interested in communicating directly with the Board of Directors, the non-management directors, the independent directors or an individual director may do so by writing to the General Counsel, Oaktree Capital Group, LLC, 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071, Attention: the Board of Directors, the non-management directors, the independent directors or the individual director, as applicable. Communications are distributed to the Board of Directors, or to any individual director or directors as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the Board of Directors has requested that certain items that are unrelated to its duties and responsibilities should be excluded, such as:

- A. junk mail and mass mailings (including “spam” email communications);
- B. resumes and other forms of job inquiries;
- C. surveys; and
- D. business solicitations or advertisements.

In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that any communication that is filtered out must be made available to any non-management director upon request. Any concerns relating to accounting, internal controls or auditing matters will be brought to the attention of the Audit Committee.

IX. COMMUNICATION WITH OUTSIDE PARTIES

It is generally the responsibility of management to speak for the Company in communications with outside parties, including analysts, members of the press, advisors and industry associates. Non-management directors should only engage in such communications at the request of management.

X. CONFIDENTIALITY OF PROCEEDINGS AND DELIBERATIONS

The proceedings and deliberations of the Board of Directors and committees of the Board of Directors shall be confidential. Each director shall maintain, in accordance with Company policy, the confidentiality of information received in connection with his or her service as a director.

XI. PERFORMANCE EVALUATION

The Board of Directors should conduct an annual self-evaluation to determine whether it and each of its committees is functioning effectively.

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