Table of Contents

As filed with the Securities and Exchange Commission on May 9, 2011

Securities Act File No. 333-168280
and 333-172503

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form N-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 ☒

Pre-Effective Amendment No. 3 ☒
Post-Effective Amendment No. ☐

New Mountain Finance Corporation

New Mountain Guardian (Leveraged), L.L.C.

(Exact name of registrant as specified in charter)

787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
(Address and telephone number,
including area code, of principal executive offices)

Robert A. Hamwee
Chief Executive Officer
New Mountain Finance Corporation
787 7th Avenue, 48th Floor
New York, NY 10019
(Name and address of agent for service)

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Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. ☐

It is proposed that this filing will become effective (check appropriate box):

☐ when declared effective pursuant to Section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock, $0.01 par value per share(4)	$200,000,000	$14,260

(1) Includes the underwriters' option to purchase additional shares.

(2) Estimated pursuant to Rule 457(o) under the Securities Act of 1933 solely for the purpose of determining the registration fee.

(3) Previously paid.

(4) For each outstanding share of New Mountain Finance Corporation common stock, New Mountain Finance Corporation will hold one common membership unit of New Mountain Guardian (Leveraged), L.L.C. on a one-to-one basis. No separate consideration will be received for the New Mountain Guardian (Leveraged), L.L.C. common membership units in this offering.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. The securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 9, 2011

8,285,172 Shares

New Mountain Finance Corporation

Common Stock

This is an initial public offering of shares of common stock of New Mountain Finance Corporation. Following this offering, we will be a holding company with no direct operations of our own, and our only business and sole asset will be our ownership of common membership units of New Mountain Finance Holdings, L.L.C., or the Operating Company. The Operating Company will be an externally managed business development company managed by New Mountain Finance Advisers BDC, L.L.C. and will be the operating company for our business. New Mountain Finance Corporation and the Operating Company each intend to elect to be treated as business development companies under the Investment Company Act of 1940 prior to the completion of this offering.

Our investment objective is to generate current income and capital appreciation through investments in debt securities at all levels of the capital structure, including first and second lien debt, unsecured notes and mezzanine securities.

Following the completion of this offering, we will own approximately 36.4% of the common membership units of the Operating Company and affiliates of New Mountain Capital, L.L.C. will own approximately 63.6% of the common membership units of the Operating Company and approximately 28.6% of our outstanding common stock, assuming no exercise of the underwriters' option to purchase additional shares.

All of the 8,285,172 shares of common stock offered in this offering are being sold by us. After giving effect to the formation transactions, this offering and the concurrent private placement to certain individuals affiliated with New Mountain Capital, L.L.C., the adjusted unaudited net asset value of our common stock on March 31, 2011 was approximately $14.14 per share on a fully diluted basis. See "Recent Developments — Net Asset Value." Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between $14.00 and $15.00. Our common stock has been approved for listing on the New York Stock Exchange under the symbol "NMFC".

Investing in our common stock is highly speculative and involves a high degree of risk. See "Risk Factors" beginning on page 27. This is an initial public offering, and there is no prior public market for our shares of common stock. Shares of closed-end investment companies, including business development companies, frequently trade at a discount to their net asset value. If our shares of common stock trade at a discount to net asset value, it may increase the risk of loss for purchasers in this offering. Assuming an initial public offering price of $14.50 per share (the mid-point of the range set forth on this cover), purchasers in this offering will experience immediate dilution of approximately $0.36 per share on a fully diluted basis based on our adjusted unaudited net asset value as of March 31, 2011. See "Dilution" on page 83.

This prospectus contains important information about us that a prospective investor should know before investing in our common stock. Please read this prospectus before investing and keep it for future reference. Upon completion of this offering, we will file annual, quarterly and current reports, proxy statements and other information about us with the Securities and Exchange Commission. This information will be available free of charge by contacting us at 787 7th Avenue, 48th Floor, New York, NY 10019 or by telephone at (212) 720-0300 or on our website at *www.newmountainfinancecorp.com*. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider that information to be part of this prospectus. The Securities and Exchange Commission also maintains a website at *www.sec.gov* that contains such information.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$	$
Sales Load (Underwriting Discounts and Commissions)	$	$
Proceeds to us(1)(2)	$	$

(1) All expenses of the offering, including the sales load, will be borne by the Operating Company. The Operating Company will incur approximately $5,272,610 of estimated expenses, excluding the sales load, in connection with this offering. Stockholders will indirectly bear such expenses, including the sales load, through our ownership of common membership units of the Operating Company.

(2) To the extent that the underwriters sell more than 8,285,172 shares of our common stock, the underwriters have the option to purchase up to an additional 1,242,776 shares of our common stock at the initial public offering price, less the sales load, within 30 days of the date of this prospectus. If the underwriters exercise this option in full, the total public offering price, sales load and proceeds to us will be $, $ and $, respectively. If the underwriters exercise their option to purchase additional shares of our common stock, we will use the proceeds from the exercise of this option to purchase additional common membership units of the Operating Company.

The underwriters expect to deliver the shares against payment in New York, New York on or about , 2011.

Joint-Lead Bookrunners

Goldman, Sachs & Co. | **Wells Fargo Securities** | **Morgan Stanley**

Co-Lead Managers

Stifel Nicolaus Weisel | **RBC Capital Markets**

Co-Managers

Baird | **BB&T Capital Markets** A division of Scott & Stringfellow, LLC | **Janney Montgomery Scott**

Prospectus dated , 2011.

TABLE OF CONTENTS

You should rely on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information or to make representations as to matters not stated in this prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, securities only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date. To the extent required by law, we will amend or supplement the information contained in this prospectus to reflect any material changes to such information subsequent to the date of the prospectus and prior to the completion of the offering pursuant to this prospectus.

PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It is not complete and may not contain all of the information that you may want to consider. You should read carefully the more detailed information set forth under "Risk Factors" and the other information included in this prospectus.

In this prospectus, unless the context otherwise requires, references to:

- *"New Mountain Finance" refers to New Mountain Finance Corporation, a Delaware corporation, which was incorporated on June 29, 2010 in preparation for this offering;*
- *"Senior Loan Funding", or "SLF", refers to New Mountain Guardian SPV Funding, L.L.C., together with New Mountain Guardian Partners SPV Funding, L.L.C., which will merge with and into New Mountain Guardian SPV Funding, L.L.C. prior to this offering. Upon the merger of these two entities, New Mountain Guardian SPV Funding, L.L.C. will be renamed New Mountain Finance SPV Funding, L.L.C.;*
- *"Operating Company" refers to New Mountain Finance Holdings, L.L.C., a Delaware limited liability company, which will be the operating company for our business, and in which New Mountain Finance will acquire common membership units in connection with this offering. References to the Operating Company include New Mountain Finance Holdings, L.L.C.'s wholly-owned subsidiary, SLF, unless the context otherwise requires. References to the Operating Company refer to New Mountain Finance Holdings, L.L.C. without including SLF when referencing the Operating Company's common membership units, board of directors, and credit facility or leverage. Prior to the formation transactions to be undertaken in connection with this offering, the Operating Company was known as New Mountain Guardian (Leveraged), L.L.C. Upon completion of the formation transactions, the Operating Company will be the successor to the Predecessor Entities (as defined below) other than New Mountain Guardian Partners, L.P.;*
- *New Mountain Guardian (Leveraged), L.L.C., together with its direct, wholly-owned subsidiaries, New Mountain Guardian Debt Funding, L.L.C. and New Mountain Guardian SPV Funding, L.L.C. (collectively referred to as "Guardian Leveraged"), and New Mountain Guardian Partners, L.P., together with its direct and indirect wholly-owned subsidiaries, New Mountain Guardian Partners (Leveraged), L.L.C., New Mountain Guardian Partners SPV Funding, L.L.C. and New Mountain Guardian Partners Debt Funding, L.L.C. (collectively referred to as "Guardian Partners"), are referred to collectively as the "Predecessor Entities";*
- *"Guardian AIV" refers to New Mountain Guardian AIV, L.P., which, prior to the formation transactions, is the parent of New Mountain Guardian (Leveraged), L.L.C.;*
- *"AIV Holdings" refers to New Mountain Finance AIV Holdings Corporation, a Delaware corporation which was incorporated on March 11, 2011, of which Guardian AIV will be the sole stockholder;*
- *"Investment Adviser" refers to New Mountain Finance Advisers BDC, L.L.C., the Operating Company's investment adviser;*
- *"Administrator" refers to New Mountain Finance's and the Operating Company's administrator, New Mountain Finance Administration, L.L.C.; and*
- *"New Mountain" refers to the affiliated companies of New Mountain Capital Group, L.L.C.*

In connection with this offering, a series of formation transactions will be undertaken such that, prior to the completion of this offering, the Operating Company will own all of the operations of the Predecessor Entities existing immediately prior to the formation transactions, including all of the

assets and liabilities related to such operations. Except where the context suggests otherwise, references to the "Company", "we", "us" and "our" refer to New Mountain Finance together with the Operating Company, including the combined operations of the Predecessor Entities prior to and after the completion of the formation transactions. Concurrently with the closing of this offering, certain executives and employees of, and other individuals affiliated with, New Mountain will buy 2,059,655 shares of New Mountain Finance common stock in a separate private placement at the initial public offering price per share. We refer to this transaction as the concurrent private placement.

The Company

New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company. The Operating Company will be an externally managed business development company, which will own all of the operations of the Predecessor Entities existing immediately prior to the formation transactions, including all of the assets and liabilities related to such operations. Following the completion of this offering, New Mountain Finance will own approximately 36.4%, and Guardian AIV will indirectly own through AIV Holdings approximately 63.6%, of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares.

Our investment objective is to generate current income and capital appreciation through investments in debt securities at all levels of the capital structure, including first and second lien debt, unsecured notes and mezzanine securities, which we refer to as "Target Securities". We expect to primarily target loans to, and invest in, U.S. middle market businesses, a market segment we believe will continue to be underserved by other lenders. We define middle market businesses as those businesses with annual earnings before interest, taxes, depreciation, and amortization, or "EBITDA", between $20 million and $200 million. We expect to make investments through both primary originations and open-market secondary purchases. We intend to invest primarily in debt securities that are rated below investment grade and have unlevered yields of 10% to 15%.(1) However, there can be no assurance that targeted returns will be achieved on our investments as they are subject to risks, uncertainties and other factors, some of which are beyond our control, and which may lead to non-payment of interest and principal. See "Risk Factors — Risks Relating to Our Investments". We intend our investments to typically have maturities of between five and ten years and generally range in size between $10 million and $50 million. This investment size may vary proportionately as the size of the Operating Company's capital base changes. We believe our focus on investment opportunities with contractual current interest payments should allow us to provide New Mountain Finance stockholders with consistent dividend distributions and attractive risk adjusted total returns.

(1) For this purpose, the equity of SLF, which has debt that is non-recourse to the Operating Company, is treated as an asset of the Operating Company.

Our investments may also include equity interests such as preferred stock, common stock, warrants or options received in connection with our debt investments. In some cases, we may invest directly in the equity of private companies. From time to time, we may also invest through the Operating Company in other types of investments, which are not our primary focus, to enhance the overall return of the portfolio. These investments may include, but are not limited to, distressed debt and related opportunities.

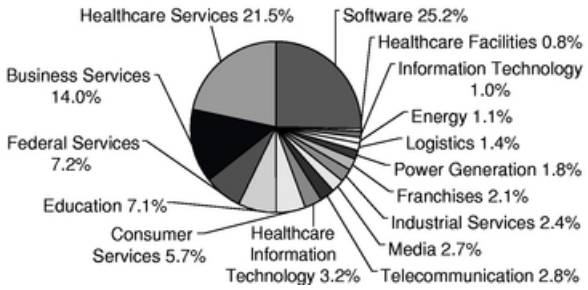
The Operating Company will be externally managed by the Investment Adviser, a wholly-owned subsidiary of New Mountain. The investment strategy, developed by our Investment Adviser, is to invest through the Operating Company primarily in the debt of defensive growth companies,

which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) opportunities for niche market dominance. The Investment Adviser, through its relationship with New Mountain, already has access to proprietary research and operating insights into many of the companies and industries that meet this template. We believe the presence within New Mountain of numerous former CEOs and other senior operating executives, and their active involvement in our underwriting process, combined with New Mountain's experience as a majority stockholder owning and directing a wide range of businesses and overseeing operating companies in the same or related industries, is a key differentiator for us versus typical debt investment vehicles.

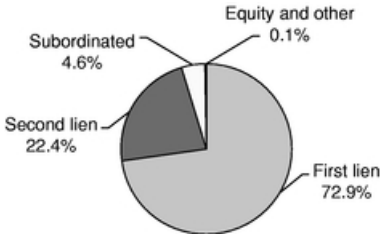
Since the commencement of the Predecessor Entities' operations in October 2008 through December 31, 2010, approximately $664.1 million has been invested in 61 companies and total realized and unrealized gains and investment income of approximately $193.6 million have been earned with an average holding period of eight months.

The following charts summarize our portfolio mix by industry and type based on the fair value [(1)] of our investments as of December 31, 2010.

By Industry



By Type of Investment



(1) The fair value of our portfolio was determined as of December 31, 2010 using market quotations if readily available, indicative prices from pricing services or brokers or dealers if market quotations are not readily available, or independent valuation firms at least once annually if a materiality threshold is met and neither the market quotations nor indicative prices are readily available.

As of December 31, 2010, our portfolio had a fair value of approximately $441.1 million in 43 portfolio companies and had a weighted average Yield to Maturity of approximately 12.5%. For purposes of this prospectus, references to "Yield to Maturity" assume that the investments in our portfolio as of a certain date, the "Portfolio Date", are purchased at fair value on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. These references also assume that unfunded revolvers remain undrawn. Interest income is assumed to be received quarterly for all debt securities. For floating rate debt securities, the interest rate is calculated by adding the spread to the projected three-month LIBOR at each respective quarter, which is determined based on the forward three-month LIBOR curve per Bloomberg as of the Portfolio Date. This calculation excludes the impact of existing leverage, except for the non-recourse debt of SLF. SLF is treated as a fully levered asset of the Operating Company, with SLF's net asset value being included for yield calculation purposes. As of December 31, 2010, our portfolio had a weighted average Unadjusted Yield to Maturity of 10.6%. For purposes of this prospectus, references to "Unadjusted Yield to Maturity" have the same assumptions as Yield to Maturity, except that SLF is not treated as a fully levered asset of the Operating Company, and the assets of SLF are consolidated into the Operating Company. The actual yield to maturity may be

higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. Since inception, the Predecessor Entities have not experienced any payment defaults or credit losses on our portfolio investments.

Prior to the completion of this offering, the Operating Company will become a party to a secured credit agreement with Wells Fargo Bank, N.A. (the "Credit Facility"), which amends and restates the $120 million credit facility of the Predecessor Entities existing prior to this offering (the "Predecessor Credit Facility"). The Credit Facility, which matures on October 21, 2015, provides for potential borrowings up to $160 million. Unlike many credit facilities for business development companies, the amount available under the Credit Facility is not subject to reduction as a result of mark to market fluctuations in our portfolio investments. Under the terms of the Credit Facility, the Operating Company is permitted to borrow up to 45.0% or 25.0% of the purchase price of pledged first lien debt securities or non-first lien debt securities, respectively, subject to approval by Wells Fargo Bank, N.A. and borrowings currently bear interest at an annual rate of one month LIBOR plus a margin of 3.0%. As of December 31, 2010, $59.7 million was outstanding under the Predecessor Credit Facility. Borrowings have been used under the Predecessor Credit Facility to purchase the senior secured loans and bonds that constitute a portion of our current portfolio.

The Operating Company expects to continue to finance our investments using both debt and equity, including proceeds from equity issued by New Mountain Finance, which will be contributed to the Operating Company.

On October 7, 2010, the Predecessor Entities formed SLF, an entity that invests in first lien debt securities. SLF is a party to a secured revolving credit facility (the "SLF Credit Facility") with a maximum availability of $150 million and with the Operating Company as the Collateral Administrator, Wells Fargo Securities, LLC as the Administrative Agent and Wells Fargo Bank, National Association, as the Collateral Custodian. The debt under the SLF Credit Facility is non-recourse to the Operating Company and has a maturity date of October 27, 2015. Under the terms of this credit facility, SLF is permitted to borrow up to 67.0% of the purchase price of pledged debt securities subject to approval by Wells Fargo Bank, N.A. and borrowings currently bear interest at an annual rate of LIBOR plus a margin of 2.25%. As of December 31, 2010, $56.9 million was outstanding under the SLF Credit Facility. SLF is consolidated on the financial statements of the Predecessor Entities.

For a detailed discussion of the Credit Facility, the Predecessor Credit Facility and the SLF Credit Facility, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Liquidity and Capital Resources — Credit Facilities".

New Mountain

New Mountain manages private equity, public equity and debt investments with aggregate assets under management (which includes amounts committed, not all of which have been drawn down and invested to date) totaling more than $9.0 billion as of December 31, 2010.

Guardian Leveraged was formed as a subsidiary of Guardian AIV by New Mountain in October 2008. Guardian AIV was formed through an allocation of approximately $300 million of the $5.1 billion of commitments supporting New Mountain Partners III, L.P., or "Fund III", a private equity fund managed by New Mountain, and in February 2009 New Mountain formed a co-investment vehicle, Guardian Partners, comprising $20.4 million of commitments. See "Business — New Mountain" for more information on New Mountain.

The Investment Adviser

The Investment Adviser, a wholly owned subsidiary of New Mountain, will manage the Operating Company's day-to-day operations and provide it with investment advisory and management services. In particular, the Investment Adviser will be responsible for identifying attractive investment opportunities, conducting research and due diligence on prospective investments, structuring our investments and monitoring and servicing our investments. Neither New Mountain Finance nor the Operating Company currently has or will have any employees. As of December 31, 2010, the Investment Adviser was supported by approximately 86 New Mountain staff members, including approximately 53 investment professionals (including 14 managing directors and 13 senior advisers) as well as 14 finance and operational professionals. These individuals will allocate a portion of their time in support of the Investment Adviser based on their particular expertise as it relates to a potential investment opportunity.

The Investment Adviser has an investment committee comprised of five members, including Steven Klinsky, Robert Hamwee, Adam Collins, Doug Londal and Alok Singh. The investment committee will be responsible for approving all of our investments above $5 million. The investment committee will also monitor investments in our portfolio and approve all asset dispositions above $5 million. Investments and dispositions below $5 million may be approved by the Operating Company's Chief Executive Officer. These approval thresholds may change over time. We expect to benefit from the extensive and varied relevant experience of the investment professionals serving on the Investment Adviser's investment committee, which includes expertise in private equity, primary and secondary leveraged credit, private mezzanine finance and distressed debt.

Recent Developments(1)

(1) The numbers presented in the Recent Developments section are unaudited.

Net Asset Value

New Mountain Finance's March 31, 2011 unaudited net asset value per share is $14.14 on an adjusted and fully diluted basis, reflecting contributions from our investors in the Predecessor Entities received after March 31, 2011, the consummation of the formation transactions, the initial public offering and concurrent private placement (assuming no exercise of the underwriters' option to purchase additional shares), and the temporary repayment of indebtedness. See "The Offering." Upon completion of this offering and the concurrent private placement, New Mountain Finance will own 36.4% of the Operating Company (assuming no exercise of the underwriters' option to purchase additional shares). On April 21, 2011, the Operating Company's board of directors, of which a majority of the board members are independent directors, approved the fair value of our portfolio investments as of March 31, 2011 in accordance with the Operating Company's valuation policy to be $460.0 million and determined the Operating Company's unaudited net asset value as of March 31, 2011 to be $313.5 million, which is adjusted to include $23.3 million of contributions received from our investors in the Predecessor Entities after March 31, 2011. This will result in the issuance of 20,221,938 common membership units of the Operating Company (which are exchangeable on a one-for-one basis into shares of New Mountain Finance common stock) to AIV Holdings and 1,252,964 shares of New Mountain Finance common stock to Guardian Partners for their respective ownership interests in the Predecessor Entities. The Operating Company's March 31, 2011 adjusted net asset value is based on the board-approved fair value of our portfolio investments as well as other factors, including investment income earned on the portfolio since December 31, 2010. The 29.6% change in net asset value from December 31, 2010 was primarily due to additional purchases of $87.3 million, sales of $25.9 million, net contributions received since December 31, 2010 and the Operating Company's retained investment income. The March 31, 2011 adjusted unaudited net asset value is comprised of an estimated $523.0 million in assets (36.2%

from SLF) and an estimated $209.5 million in liabilities (52.8% from SLF). The estimated assets include cash of $27.2 million and contributions received from investors after March 31, 2011. The estimated liabilities include $171.8 million of borrowings under the Predecessor Credit Facility and SLF Credit Facility, and a $27.6 million payable for unsettled securities purchased. See "Determination of Net Asset Value". The adjusted unaudited net asset value per share as of March 31, 2011 will be different than our actual net asset value for March 31, 2011, primarily due to the contributions from the investors in our Predecessor Entities received after March 31, 2011.

Distributions/Contributions

For the period from March 31, 2011, to April 15, 2011, Guardian AIV and New Mountain Guardian Partners, L.P. received aggregate contributions of $23.3 million from our investors in the Predecessor Entities and made no distributions to the partners of Guardian AIV and New Mountain Guardian Partners, L.P.

New Mountain Finance's first quarterly distribution, which will be payable for the second quarter of 2011, is expected to be between $0.20 and $0.25 per share. The amount of the dividend will be proportionately reduced to reflect the number of days remaining in the quarter after the completion of this offering. The actual amount of such distribution, if any, remains subject to approval by New Mountain Finance's board of directors, and there can be no assurance that any distribution paid will fall within such range. In addition, because New Mountain Finance will be a holding company, it will only be able to pay distributions on its common stock from distributions received from the Operating Company. The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a regulated investment company, or "RIC", under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). New Mountain Finance intends to distribute to its stockholders substantially all of its annual taxable income, except that it may retain certain net capital gains for reinvestment in common membership units of the Operating Company.

Recent Portfolio Activity

After giving effect to the Predecessor Entities' purchases and sales between January 1, 2011 and March 31, 2011, our pro forma weighted average Yield to Maturity as of March 31, 2011 would have been 12.6% consisting of: (1) 9.8% cash interest based on LIBOR as of March 31, 2011, (2) an additional 0.6% representing the impact of using the forward three-month LIBOR curve on an asset by asset basis, (3) 1.0% current payment-in-kind ("PIK") interest and (4) 1.2% accretion of market discount. Our pro forma weighted average Unadjusted Yield to Maturity as of March 31, 2011 would have been 10.5%. For a list of the Predecessor Entities' and SLF's purchases and sales between January 1, 2011 and March 31, 2011, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments — Recent Portfolio Activity".

Competitive Advantages

We believe that we have the following competitive advantages over other capital providers to middle market companies:

Proven and Differentiated Investment Style With Areas of Deep Industry Knowledge

In making its investment decisions, the Investment Adviser intends to apply New Mountain's long-standing, consistent investment approach that has been in place since its founding more than 10 years ago. We expect to focus on companies in less well followed defensive growth niches of the middle market space where we believe few debt funds have built equivalent research and operational size and scale.

We expect to benefit directly from New Mountain's private equity investment strategy that seeks to identify attractive investment sectors from the top down and then works to become a well positioned investor in these sectors. New Mountain focuses on companies and end markets with sustainable strengths in all economic cycles, particularly ones that are defensive in nature, that are non-cyclical and can maintain pricing power in the midst of a recessionary and/or inflationary environment. New Mountain focuses on companies within sectors in which it has significant expertise (examples include federal services, software, education, niche healthcare, business services, energy and logistics) while typically avoiding investments in companies with end markets that are highly cyclical, face secular headwinds, are overly-dependent on consumer demand or are commodity-like in nature.

In making its investment decisions, the Investment Adviser has adopted the approach of New Mountain, which is based on three primary investment principles:

1. A generalist approach, combined with proactive pursuit of the highest quality opportunities within carefully selected industries, identified via an intensive and structured ongoing research process;

2. Emphasis on strong downside protection and strict risk controls; and

3. Continued search for superior risk adjusted returns, combined with timely, intelligent exits and outstanding return performance.

Experienced Management Team and Established Platform

The Investment Adviser's team members have extensive experience in the leveraged lending space. Steven Klinsky, New Mountain's Founder and Chief Executive Officer, was a general partner of the manager of debt and equity funds, totaling multiple billions of dollars at Forstmann Little & Co. in the 1980s and 1990s. He was also a co-founder of Goldman, Sachs & Co.'s Leverage Buyout Group in the period from 1981 to 1984. Robert Hamwee, Managing Director of New Mountain, was formerly President of GSC Group, Inc., or "GSC", where he was the portfolio manager of GSC's distressed debt funds and led the development of GSC's CLOs. Doug Londal, Managing Director of New Mountain, was previously co-head of Goldman, Sachs & Co.'s U.S. mezzanine debt team. Alok Singh, Managing Director of New Mountain, has extensive experience structuring debt products as a long-time partner at Bankers Trust Company.

Many of the debt investments that we have made to date have been in the same companies with which New Mountain has already conducted months of intensive acquisition due diligence related to potential private equity investments. We believe that private equity underwriting due diligence is usually more robust than typical due diligence for loan underwriting. In its underwriting of debt investments, the Investment Adviser is able to utilize the research and hands-on operating experience that New Mountain's private equity underwriting teams possess regarding the individual companies and industries. Business and industry due diligence is led by a team of investment

professionals of the Investment Adviser that generally consists of three to seven individuals, typically based on their relevant company and/or industry specific knowledge. Additionally, the Investment Adviser is also able to utilize its relationships with operating management teams and other private equity sponsors. We believe this will differentiate us from many of our competitors.

Significant Sourcing Capabilities and Relationships

We believe the Investment Adviser's ability to source attractive investment opportunities is greatly aided by both New Mountain's historical and current reviews of private equity opportunities in the business segments we target. To date, a significant majority of the investments we have made through the Operating Company are in the debt of companies and industry sectors that were first identified and reviewed in connection with New Mountain's private equity efforts, and the majority of our current pipeline reflects this as well. Furthermore, the Investment Adviser's investment professionals have deep and longstanding relationships in both the private equity sponsor community and the lending/agenting community which they have and will continue to utilize to generate investment opportunities.

Risk Management through Various Cycles

New Mountain has emphasized tight control of risk since its inception and long before the recent global financial distress began. To date, New Mountain has never experienced a bankruptcy of any of its portfolio companies in its private equity efforts or efforts with respect to Predecessor Entities' business. The Investment Adviser will seek to emphasize tight control of risk with our investments in several important ways, consistent with New Mountain's historical approach. In particular, the Investment Adviser intends to:

- Emphasize the origination or purchase of debt in what the Investment Adviser believes are defensive growth companies, which are less likely to be dependent on macro-economic cycles;
- Target investments in companies that are preeminent market leaders in their own industries, and when possible, investments in companies that have strong management teams whose skills are difficult for competitors to acquire or reproduce; and
- Emphasize capital structure seniority in the Investment Adviser's underwriting process.

Access to Non Mark to Market, Seasoned Leverage Facility

The Operating Company's and the SLF's amounts available under their existing credit facilities are not subject to reduction as a result of mark to market fluctuations in their portfolio investments. For a detailed discussion of the Credit Facility and the SLF Credit Facility, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Liquidity and Capital Resources".

Market Opportunity

We believe that the size of the market for Target Securities, coupled with the demands of middle market companies for flexible sources of capital at competitive terms and rates, create an attractive investment environment for us.

- *The leverage finance market has a high level of financing needs over the next several years due to significant bank debt maturities.* We believe that the large dollar volume of loans that need to be refinanced will present attractive opportunities to invest capital in a manner consistent with our stated objectives.

- *Middle market companies continue to face difficulties in accessing the capital markets.* We believe opportunities to serve the middle market will continue to exist. While many middle market companies were formerly able to raise funds by issuing high-yield bonds, we believe this approach to financing has become more difficult in recent years as institutional investors have sought to invest in larger, more liquid offerings. In addition, many private finance companies and hedge funds have reduced their middle market lending activities due to decreased availability of financing.

- *Consolidation among commercial banks has reduced the focus on middle market lending.* We believe that many traditional bank lenders to middle market businesses have either exited or de-emphasized their service and product offerings in the middle market. These traditional lenders have instead focused on lending and providing other services to large corporate clients. We believe this has resulted in fewer key players and the reduced availability of debt capital to the companies we target.

- *Attractive pricing.* Reduced access to, and availability of, debt capital typically increases the interest rates, or pricing, of loans for middle-market lenders. Recent primary debt transactions in this market typically have included meaningful upfront fees, prepayment protections and, in some cases, warrants to purchase common stock, all of which should enhance the profitability of new loans to lenders.

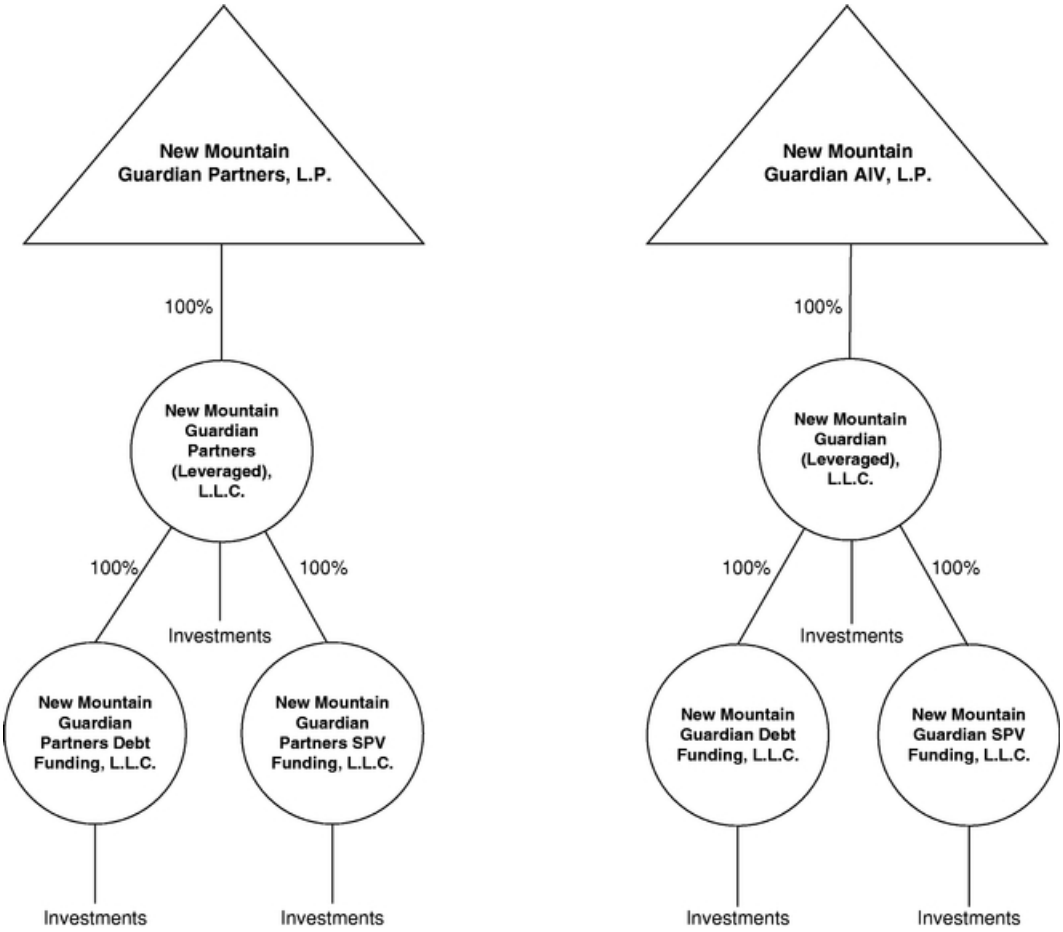
- *Conservative deal structures.* As a result of the credit crisis, many lenders are requiring larger equity contributions from financial sponsors. Larger equity contributions create an enhanced margin of safety for lenders because leverage is a lower percentage of the implied enterprise value of the company.

- *Large pool of uninvested private equity capital available for new buyouts.* We expect that private equity firms will continue to pursue acquisitions and will seek to leverage their equity investments with mezzanine loans and/or senior loans provided by companies such as ours.

Our History and Structure

New Mountain Finance was incorporated in Delaware on June 29, 2010 as New Mountain Guardian Corporation, and it changed its name to New Mountain Finance Corporation on February 25, 2011. Prior to this offering, it did not engage in any activities, except in preparation for this offering, and it had no operations or assets. New Mountain currently owns the only issued and outstanding share of common stock of New Mountain Finance.

The simplified diagram below depicts our current organizational structure prior to the structuring transactions contemplated by this offering:



In connection with this offering, a series of formation transactions will be undertaken such that, prior to the completion of this offering, the Operating Company will own all of the operations of the Predecessor Entities existing immediately prior to the formation transactions, including all of the assets and liabilities related to such operations. As a result of these transactions, Guardian AIV will indirectly own through its wholly-owned subsidiary, AIV Holdings, common membership units of the Operating Company. New Mountain Finance will enter into a joinder agreement with respect to the amended and restated limited liability company agreement of the Operating Company, pursuant to which New Mountain Finance will be admitted as a member of the Operating Company and will

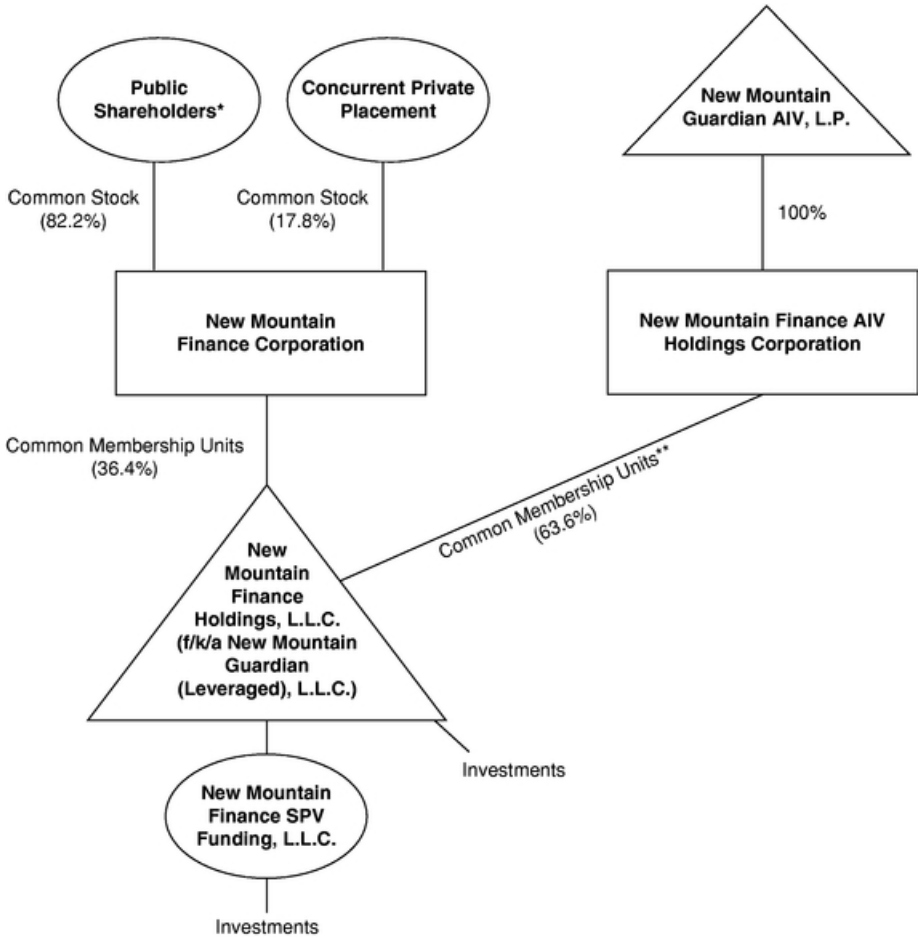
agree to acquire from the Operating Company, with the gross proceeds of this offering and the concurrent private placement, common membership units of the Operating Company (the number of common membership units will equal the number of shares of New Mountain Finance's common stock sold in this offering and the concurrent private placement) in connection with the completion of this offering. The per unit purchase price New Mountain Finance will pay for the common membership units acquired pursuant to a joinder agreement to the amended and restated limited liability company agreement of the Operating Company will be equal to the per share offering price at which New Mountain Finance's common stock is sold pursuant to this offering. After the completion of this offering, New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company. See "Formation Transactions and Related Agreements".

At the closing of this offering New Mountain Finance will own approximately 36.4%, and Guardian AIV will indirectly own through AIV Holdings approximately 63.6%, of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares. If the underwriters exercise this option to purchase additional shares of New Mountain Finance's common stock, pursuant to the amended and restated limited liability company agreement of the Operating Company, or the "LLC Agreement", immediately thereafter New Mountain Finance will acquire from the Operating Company an equivalent number of additional common membership units in exchange for the gross proceeds New Mountain Finance receives upon exercise of the option.

The Operating Company has calculated the unaudited, adjusted net asset value of the Operating Company, the "cutoff NAV", as of March 31, 2011, the "cutoff date". The cutoff NAV was determined and approved by the Operating Company's board of directors and was calculated consistent with its policies for determining net asset value. See "Determination of Net Asset Value". Consistent with these policies, an independent third party valuation firm will provide the Operating Company with annual valuation assistance with respect to investments for which market quotations are not available. The Operating Company accrued interest income and related expenses as of the cutoff date. The cutoff NAV calculation was comprised of all the investments at fair value plus any interest income accruals, less any expense accruals through the cutoff date.

In addition, certain executives and employees of, and other individuals affiliated with, New Mountain will purchase 2,059,655 shares of New Mountain Finance's common stock in connection with the consummation of this offering in the concurrent private placement. These shares will be sold at the same offering price paid by investors in this offering, in a private placement transaction exempt from registration under the Securities Act of 1933, as amended, or the Securities Act.

The simplified diagram below depicts our summarized organizational structure immediately after the transactions described in this prospectus (assuming no exercise of the underwriters' option to purchase additional shares):



* Following the offering, stockholders of New Mountain Finance will include partners of New Mountain Guardian Partners, L.P.

** These common membership units are exchangeable into shares of New Mountain Finance common stock on a one-for-one basis.

Operating and Regulatory Structure

After the completion of this offering, New Mountain Finance will be a closed-end, non-diversified management investment company that has elected to be treated as a business development company under the 1940 Act and will use leverage but will be required to maintain an asset coverage ratio, as defined in the 1940 Act, of at least 200%. New Mountain Finance will have no material long-term liabilities itself and its only business and sole asset will be its ownership of common membership units of the Operating Company. As a result, New Mountain Finance will look to the Operating Company's assets for purposes of satisfying the requirements under the 1940 Act

otherwise applicable to New Mountain Finance. The Operating Company will be an externally managed, closed-end non-diversified management investment company that has elected to be treated as a business development company under the 1940 Act. As a business development company, the Operating Company will also be required to maintain an asset coverage ratio, as defined in the 1940 Act, of at least 200%. See "Regulation". The Operating Company and the SLF have long term liabilities related to their credit facilities.

New Mountain Finance intends to elect to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011. See "Material Federal Income Tax Considerations". As a RIC, New Mountain Finance generally will not have to pay corporate-level federal income taxes on any net ordinary income or capital gains that it timely distributes to its stockholders as dividends if it meets certain source-of-income, distribution and asset diversification requirements. The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a RIC. New Mountain Finance intends to distribute to its stockholders substantially all of its annual taxable income, except that it may retain certain net capital gains for reinvestment in common membership units of the Operating Company.

Risk Factors

An investment in New Mountain Finance's common stock involves risk, including the risk of leverage and the risk that our operating policies and strategies may change without prior notice to New Mountain Finance stockholders or prior stockholder approval. See "Risk Factors" and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of New Mountain Finance's common stock. The value of the Operating Company's assets, as well as the market price of New Mountain Finance's shares, will fluctuate. Our investments may be risky, and you may lose all or part of your investment in New Mountain Finance. Investing in New Mountain Finance involves other risks, including the following:

- We have a limited operating history;
- We do not expect to replicate the Predecessor Entities' historical performance or the historical performance of other entities managed or supported by New Mountain;
- There will be uncertainty as to the value of our portfolio investments because most of our investments are, and will continue to be in private companies and recorded at fair value. In addition, because New Mountain Finance will be a holding company, the fair value of our investments will be initially determined by the Operating Company's board of directors in accordance with our valuation policy;
- Our ability to achieve our investment objective depends on key investment personnel of the Investment Adviser. If the Investment Adviser were to lose any of its key investment personnel, our ability to achieve our investment objective could be significantly harmed;
- The Investment Adviser does not have any prior experience managing a business development company or a RIC, which could adversely affect our business;
- We operate in a highly competitive market for investment opportunities and may not be able to compete effectively;
- The Operating Company will borrow money, which could magnify the potential for gain or loss on amounts invested in us and increase the risk of investing in us;
- Changes in interest rates may affect the Operating Company's cost of capital and net investment income;
- Regulations governing the operations of business development companies will affect New Mountain Finance's ability to raise additional equity capital as well as the Operating

Company's ability to issue senior securities or borrow for investment purposes, any or all of which could have a negative effect on our investment objectives and strategies;

- We may experience fluctuations in our annual and quarterly results due to the nature of our business;
- The Operating Company's board of directors may change our investment objective, operating policies and strategies without prior notice or member approval, the effects of which may be adverse to your interest as a stockholder;
- New Mountain Finance will be subject to corporate-level federal income tax on all of its income if it is unable to qualify as a RIC under Subchapter M of the Code, which would have a material adverse effect on its financial performance;
- New Mountain Finance may not be able to pay you distributions on its common stock, its distributions to you may not grow over time and a portion of its distributions to you may be a return of capital for federal income tax purposes;
- Our investments in portfolio companies may be risky, and we could lose all or part of our investment;
- The lack of liquidity in our investments may adversely affect our business;
- Economic recessions or downturns could impair our portfolio companies and harm our operating results;
- New Mountain Finance will be a holding company with no direct operations of its own, and will depend on distributions from the Operating Company to meet its ongoing obligations;
- Any future exchange by AIV Holdings of common membership units of the Operating Company for shares of New Mountain Finance's common stock would significantly dilute your voting power with respect to the election of New Mountain Finance directors or other matters that require the approval of New Mountain Finance stockholders only. In addition, the interests of the partners of Guardian AIV following such exchange by AIV Holdings may be adverse to your interests as stockholders and could limit your ability to influence the outcome of key transactions, including any change of control;
- The market price of New Mountain Finance's common stock may fluctuate significantly;
- Prior to this offering, there has been no public market for New Mountain Finance's common stock, and we cannot assure you that the market price of New Mountain Finance's common stock will not decline following the offering;
- We have not identified specific investments in which the Operating Company will invest the proceeds of this offering;
- Investors in this offering may incur immediate dilution; and
- Sales of substantial amounts of New Mountain Finance's common stock in the public market may have an adverse effect on the market price of its common stock.

Company Information

Our administrative and executive offices are located at 787 7th Avenue, 48th Floor, New York, New York 10019, and our telephone number is (212) 720-0300. We expect to establish a website at *http://www.newmountainfinancecorp.com* upon completion of this offering. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus.

Presentation of Historical Financial Information and Market Data

Historical Financial Information

Unless otherwise indicated, historical references contained in this prospectus in "Selected Financial and Other Data", "Capitalization", "Management's Discussion and Analysis of Financial

Condition and Results of Operations", "Senior Securities" and "Portfolio Companies" relate to the Operating Company, which will be New Mountain Finance's sole investment following the completion of this offering. The combined financial statements of New Mountain Finance Holdings, L.L.C., formerly known as New Mountain Guardian (Leveraged), L.L.C., and New Mountain Guardian Partners, L.P. are the Operating Company's historical combined financial statements.

Market Data

Statistical and market data used in this prospectus has been obtained from governmental and independent industry sources and publications. We have not independently verified the data obtained from these sources, and we cannot assure you of the accuracy or completeness of the data. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements contained in this prospectus. See "Special Note Regarding Forward-Looking Statements".

THE OFFERING

Common Stock Offered by New Mountain Finance	8,285,172 shares, excluding 1,242,776 shares of common stock issuable pursuant to the option to purchase additional shares granted to the underwriters.
Concurrent Private Placement	Concurrently with the closing of this offering, New Mountain Finance will sell 2,059,655 shares of its common stock to certain executives and employees of, and other individuals affiliated with, New Mountain in a separate private placement at the initial public offering price per share. New Mountain Finance will receive the full proceeds of approximately $29,865,000, assuming an initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus), from the sale of these shares, and no underwriting discounts or commissions will be paid in respect of these shares.
Common Stock to be Outstanding After this Offering and Concurrent Private Placement	11,597,791 shares (including 3,312,619 shares purchased in the concurrent private placement and shares New Mountain Guardian Partners, L.P. will receive in connection with this offering), excluding 1,242,776 shares of common stock issuable pursuant to the option to purchase additional shares granted to the underwriters.
Common Membership Units of the Operating Company to be Outstanding After this Offering and Concurrent Private Placement	31,819,729 common membership units (33,062,505 common membership units if the option to purchase additional shares granted to the underwriters is exercised in full). Guardian AIV, indirectly through AIV Holdings, will hold 20,221,938 common membership units immediately after this offering.
Exchange Right	AIV Holdings, which is wholly-owned by Guardian AIV, will have the right to exchange all or any portion of its common membership units of the Operating Company for shares of New Mountain Finance's common stock on a one-for-one basis. If, following the completion of the transactions described in this prospectus, AIV Holdings exercised its right to exchange its common membership units of the Operating Company, Guardian AIV, indirectly through AIV Holdings, would own approximately 63.6% of all outstanding shares of New Mountain Finance's common stock (or 61.2% if the option to purchase additional shares granted to the underwriters was exercised in full). In addition, if exemptive relief is granted from the SEC to permit the Operating Company to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company, the Investment Adviser will also have the right to exchange all or any portion of its common membership units so received for shares of New Mountain Finance's common stock.

Use of Proceeds	We estimate that New Mountain Finance will receive proceeds from the sale of common stock in this offering and the concurrent private placement of approximately $150.0 million, or approximately $168.0 million if the underwriters exercise their option to purchase additional shares in full, in each case assuming an initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus). New Mountain Finance will use all of the proceeds from this offering as well as the proceeds from the concurrent private placement, to acquire from the Operating Company a number of common membership units equal to the number of shares of New Mountain Finance's common stock sold in this offering and in the concurrent private placement at a price per unit equal to the public offering price per share. The Operating Company, in turn, will use a portion of these proceeds to pay the underwriting discounts and commissions and estimated expenses of this offering, and intends to use the remaining net proceeds for new investments in portfolio companies in accordance with our investment objective and strategies described in this prospectus, to temporarily repay indebtedness (which will be subject to reborrowing), to pay New Mountain Finance's and its operating expenses and distributions to its members and for general corporate purposes. Pending such use, the Operating Company will invest the net proceeds primarily in cash, cash equivalents, U.S. government securities and other high-quality investments that mature in one year or less from the date of the investment. See "Use of Proceeds".
NYSE Symbol	"NMFC"
Investment Advisory Fees	New Mountain Finance will not have an investment adviser. The Operating Company will pay the Investment Adviser a fee for its services under the Investment Management Agreement consisting of two components — a base management fee and an incentive fee. The base management fee is payable quarterly in arrears and is calculated at an annual rate of 1.75% of the Operating Company's gross assets less (i) the borrowings under the SLF Credit Facility and (ii) cash and cash equivalents. The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20% of the Operating Company's "pre-incentive fee adjusted net investment income" for the immediately preceding quarter, subject to a preferred return, or "hurdle", and a "catch-up" feature. The second part will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement) and will equal 20% of the Operating Company's adjusted realized capital gains, if any, on a cumulative basis from inception through the end of the year, computed net of all adjusted realized capital losses

	and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fee. New Mountain Finance and the Operating Company intend to seek exemptive relief from the SEC to permit the Operating Company to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company having a total market price, calculated based on the market price of New Mountain Finance's common stock, equal to the amount of the incentive fee, which common membership units will be exchangeable into shares of New Mountain Finance's common stock on a one-for-one basis. There can be no assurance that this exemptive relief will be granted. If exemptive relief is not granted, the Operating Company will pay the entire incentive fee in cash. See "Investment Management Agreement".
Administrator	The Administrator serves as the administrator for New Mountain Finance and the Operating Company and arranges office space for us and provides us with office equipment and administrative services. The Administrator also oversees our financial records, prepares reports to New Mountain Finance's stockholders and the Operating Company's members and reports filed by us with the SEC, and generally monitors the payment of our expenses and the performance of administrative and professional services rendered to us by others. The Operating Company will reimburse the Administrator for New Mountain Finance's and the Operating Company's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement. See "Administration Agreement".
Lock-up Agreement	New Mountain Finance, each of its officers and directors, New Mountain Guardian Partners, L.P. (and its transferees), and each of the members of our Investment Adviser's investment committee have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any shares of New Mountain Finance's common stock or securities convertible into or exchangeable for shares of New Mountain Finance's common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated. AIV Holdings has also entered into a similar lock-up agreement that prevents the exchange of its common membership units of the Operating Company for up to 180 days after the date of this prospectus, subject to carve outs and an extension in certain circumstances. In addition, if New Mountain Finance and the Operating Company receive exemptive relief from the SEC to permit us to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company, any

	common membership units so received by the Investment Adviser will be subject to a 3-year lock-up agreement, pursuant to which, one-third of the common membership units received by the Investment Adviser will be released from the lock-up on an annual basis until the expiration of each 3-year lock-up period. See "Underwriting" and "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.
Distributions	New Mountain Finance intends to pay quarterly distributions to its stockholders out of assets legally available for distribution, beginning with the first full quarter after the completion of this offering. The quarterly distributions, if any, will be determined by New Mountain Finance's board of directors. The distributions New Mountain Finance pays to its stockholders in a year may exceed its taxable income for that year and, accordingly, a portion of such distributions may constitute a return of capital for federal income tax purposes. The specific tax characteristics of New Mountain Finance's distributions will be reported to stockholders after the end of the calendar year. The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders. See "Distributions".
Taxation of New Mountain Finance	New Mountain Finance intends to elect to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011. As a RIC, New Mountain Finance generally will not pay corporate-level federal income taxes on any net ordinary income or capital gains that it timely distributes to its stockholders as dividends. To obtain and maintain its RIC status, New Mountain Finance must meet specified source-of-income and asset diversification requirements and distribute annually to its stockholders at least 90% of its net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to obtain and maintain its status as a RIC. See "Distributions" and "Material Federal Income Tax Considerations".
Taxation of Operating Company	The Operating Company expects to be treated as a partnership for federal income tax purposes for as long as it has at least two members. As a result, the Operating Company will itself not be subject to federal income tax. Rather, each of the Operating Company's members, including New Mountain Finance, will be required to take into account, for federal income tax purposes, its allocable share of the Operating Company's items of income, gain, loss, deduction and credit. SLF expects to be treated as a disregarded entity for federal income tax purposes. As a result, SLF will itself not be subject to federal income tax and, for federal income tax purposes, the Operating Company will take into account all of SLF's assets and items of income, gain, loss, deduction and credit. See "Material Federal Income Tax Considerations".

Dividend Reinvestment Plan	New Mountain Finance has adopted an "opt out" dividend reinvestment plan for its stockholders. As a result, if New Mountain Finance declares a distribution, then your cash distributions will be automatically reinvested in additional shares of New Mountain Finance's common stock, unless you specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions. Stockholders who receive distributions in the form of stock will be subject to the same federal income tax consequences as stockholders who elect to receive their distributions in cash. Cash distributions reinvested in additional shares of New Mountain Finance's common stock will be automatically reinvested by New Mountain Finance in additional common membership units of the Operating Company. New Mountain Finance will use only newly issued shares to implement the plan if the price at which newly-issued shares are to be credited is equal to or greater than 110% of the last determined net asset value of the shares. New Mountain Finance reserves the right to purchase shares of its common stock in the open market in connection with its implementation of the plan if the price at which its newly-issued shares are to be credited does not exceed 110% of the last determined net asset value of the shares. See "Dividend Reinvestment Plan".
Trading at a Discount	Shares of closed-end investment companies frequently trade at a discount to their net asset value. The possibility that New Mountain Finance's common stock may trade at a discount to its net asset value per share is separate and distinct from the risk that its net asset value per share may decline. New Mountain Finance cannot predict whether its common stock will trade above, at or below net asset value.
License Agreement	New Mountain Finance and the Operating Company have entered into a royalty-free license agreement with New Mountain, pursuant to which New Mountain has agreed to grant New Mountain Finance and the Operating Company a non-exclusive license to use the name "New Mountain". See "License Agreement".
Leverage	We expect that the Operating Company will continue to use leverage to make investments. As a result, we may continue to be exposed to the risks of leverage, which include that leverage may be considered a speculative investment technique. The use of leverage magnifies the potential for gain and loss on amounts invested by the Operating Company and therefore, indirectly, increases the risks associated with investing in shares of New Mountain Finance's common stock. See "Risk Factors".
Anti-Takeover Provisions	New Mountain Finance's and the Operating Company's respective boards of directors are divided into three classes of directors serving staggered three-year terms. This structure is intended to provide us with a greater likelihood of continuity of management, which may be necessary for us to realize the full value of our investments. A staggered

	board of directors also may serve to deter hostile takeovers or proxy contests, as may certain other measures that we may adopt. These measures may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of New Mountain Finance stockholders. See "Description of New Mountain Finance's Capital Stock — Delaware Law and Certain Certificate of Incorporation and Bylaw Provisions; Anti-Takeover Measures".
Available Information	After completion of this offering, New Mountain Finance will be required to file periodic reports, current reports, proxy statements and other information with the SEC. Unless and until exemptive relief is granted from the SEC, the Operating Company will also be required to file similar reports with the SEC. This information will be available at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549 and on the SEC's website at *http://www.sec.gov*. The public may obtain information on the operation of the SEC's public reference room by calling the SEC at 202-551-8090. This information will also be available free of charge by contacting us at New Mountain Finance Corporation, 787 7th Avenue, 48th Floor, New York, NY 10019, by telephone at (212) 720-0300, or on our website at *http://www.newmountainfinancecorp.com*. The information on our website is not incorporated by reference into this prospectus.

Unless otherwise indicated, all information in this prospectus reflects the consummation of the formation transactions described in "Formation Transactions and Related Agreements" and the concurrent private placement.

A nominal amount of shares of New Mountain Finance's common stock was outstanding prior to the completion of this offering. The number of shares of New Mountain Finance's common stock to be outstanding after completion of this offering is based on 10,344,827 shares of New Mountain Finance's common stock to be sold in this offering and the concurrent private placement and 1,252,964 shares of New Mountain Finance's common stock to be received by Guardian Partners in the formation transactions, and except where we state otherwise, the common stock information presented in this prospectus:

- excludes 20,221,938 shares of New Mountain Finance's common stock issuable upon exchange of common membership units of the Operating Company held by AIV Holdings upon exercise of its exchange rights, as described under "Formation Transactions and Related Agreements — Structure-Related Agreements — The Operating Company Agreement"; and
- assumes no exercise by the underwriters of their option to purchase up to 1,242,776 additional shares of New Mountain Finance's common stock.

FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that an investor in this offering will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this prospectus contains a reference to fees or expenses paid by "you", "New Mountain Finance", the "Operating Company", or "us" or that "we", "New Mountain Finance", or the "Operating Company" will pay fees or expenses, stockholders will indirectly bear such fees or expenses through New Mountain Finance's investment in the Operating Company.

Stockholder transaction expenses:	
Sales load (as a percentage of offering price)	7.00%(1)
Offering expenses (as a percentage of offering price)	4.39%(2)
Dividend reinvestment plan fees	— (3)
Total stockholder transaction expenses (as a percentage of offering price)	11.39%
Annual expenses (as a percentage of net assets attributable to common stock(4)):	
Base management fees	2.45%(5)
Incentive fees payable under Investment Management Agreement	—%(6)
Interest payments on borrowed funds	0.89%(7)
Other expenses (estimated)	1.19%(8)
Total annual expenses	4.53%(9)

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in New Mountain Finance's common stock. In calculating the following expense amounts, we have assumed that the Operating Company's borrowings and annual expenses would remain at the levels set forth in the table above and assumed that you would pay a sales load of 7.00% (the underwriting discount and commission to be paid by the Operating Company with respect to common stock sold by New Mountain Finance in this offering).

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$ 42	$ 127	$ 212	$ 426

(1) The underwriting discounts and commissions (sales load) with respect to the shares sold in this offering, which is a one-time fee, is the only sales load paid in connection with this offering.

(2) All expenses of this offering, including the sales load, will be borne by the Operating Company. The Operating Company will incur approximately $5,272,610 of estimated expenses, excluding the sales load, in connection with this offering. Stockholders will indirectly bear such expenses, including the sales load, through ownership of common membership units of the Operating Company.

(3) The expenses of the dividend reinvestment plan are included in "other expenses".

(4) The net assets attributable to common stock is the December 31, 2010 net asset value of the Predecessor Entities plus the gross proceeds from this offering and concurrent private placement, assuming an initial public offering price of $14.50 per share (the mid-point of the

range set forth on the front cover of this prospectus), less the sales load and offering expenses.

(5) The base management fee under the Investment Management Agreement is based on the Operating Company's gross assets less (i) the borrowings under the SLF Credit Facility and (ii) cash and cash equivalents. See "Investment Management Agreement".

(6) The incentive fee under the Investment Management Agreement, which, assuming a 5% annual return, would either not be payable or would have an insignificant impact on the expense amounts shown above, is not included in the example. The incentive fee consists of two parts. The first part, which is payable quarterly in arrears, will equal 20% of the excess, if any, of the Operating Company's "Pre-Incentive Fee Adjusted Net Investment Income" that exceeds a 2% quarterly (8% annualized) hurdle rate, subject to a "catch-up" provision measured at the end of each calendar quarter. The first part of the incentive fee will be computed and paid on income that may include interest that is accrued but not yet received in cash. The operation of the first part of the incentive fee for each quarter is as follows:

- no incentive fee is payable to the Investment Adviser in any calendar quarter in which the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income does not exceed the hurdle rate of 2%, or the hurdle.
- 100% of the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income with respect to that portion of the Pre-Incentive Fee Adjusted Net Investment Income, if any, that exceeds the hurdle rate but is less than or equal to 2.5% in any calendar quarter (10% annualized) is payable to the Investment Adviser. We refer to this portion of the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income (which exceeds the hurdle rate but is less than or equal to 2.5%) as the "catch-up". The "catch-up" provision is intended to provide the Investment Adviser with an incentive fee of 20% on all of the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income as if a hurdle rate did not apply when its Pre-Incentive Fee Adjusted Net Investment Income exceeds 2.5% in any calendar quarter; and
- 20% of the amount of the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income, if any, that exceeds 2.5% in any calendar quarter (10% annualized) is payable to the Investment Adviser (once the hurdle is reached and the catch-up is achieved, 20% of all Pre-Incentive Fee Adjusted Net Investment Income thereafter is allocated to the Investment Adviser).

The second part of the incentive fee will equal 20% of our "Incentive Fee Capital Gains", which will equal the Operating Company's realized capital gains on a cumulative basis from inception through the end of the year, if any, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. The second part of the incentive fee will be payable, in arrears, at the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date), commencing with the year ending December 31, 2011. New Mountain Finance and the Operating Company intend to seek exemptive relief from the SEC to permit the Operating Company to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company having a total market price, calculated based on the market price of New Mountain Finance's common stock, equal to the amount of the incentive fee, which common membership units will be exchangeable into shares of New Mountain Finance's common stock on a one-for-one basis. There can be no assurance that this exemptive relief will be granted. If exemptive relief is not granted, the Operating Company will pay the entire incentive fee in cash.

(7) The Operating Company intends to borrow funds from time to time to make investments to the extent it determines that additional capital would allow it to take advantage of additional investment opportunities or if the economic situation is otherwise conducive to doing so. The costs associated with these borrowings are indirectly borne by New Mountain Finance's stockholders through its investment in the Operating Company. As of December 31, 2010, $59.7 million and $56.9 million were outstanding under the Predecessor Credit Facility and the SLF Credit Facility, respectively. For purposes of this section, we have assumed the December 31, 2010 amounts outstanding under these credit facilities, and have computed interest expense using an assumed interest rate of 3.3% for the Credit Facility and 2.5% for the SLF Credit Facility, which were the rates payable as of December 31, 2010. See "Senior Securities".

(8) "Other expenses" are based on estimated amounts of New Mountain Finance's and the Operating Company's expenses for the current fiscal year and include New Mountain Finance's and the Operating Company's estimated overhead expenses, including payments by the Operating Company under the Administration Agreement based on the estimated allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement. Direct expenses have been capped at $3.0 million for the Operating Company's first year of operations. See "Administration Agreement".

(9) Total annual expenses are based on estimated amounts for the current fiscal year. You will incur these fees and expenses indirectly through New Mountain Finance's investment in the Operating Company.

The example and the expenses in the tables above should not be considered a representation of future expenses, and actual expenses may be greater or less than those shown. While the example assumes, as required by the applicable rules of the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. The incentive fee under the Investment Management Agreement, which, assuming a 5% annual return, would either not be payable or would have an insignificant impact on the expense amounts shown above, is not included in the example. If the Operating Company achieves sufficient returns on our investments, including through the realization of capital gains, to trigger an incentive fee of a material amount, its expenses, and returns to New Mountain Finance investors, would be higher. In addition, while the example assumes reinvestment of all distributions at net asset value, participants in New Mountain Finance's dividend reinvestment plan will receive a number of shares of New Mountain Finance's common stock, determined by dividing the total dollar amount of the distribution payable to a participant by the market price per share of New Mountain Finance's common stock at the close of trading on the dividend payment date fixed by New Mountain Finance's board of directors, which may be at, above or below net asset value. See "Dividend Reinvestment Plan" for additional information regarding the dividend reinvestment plan.

SELECTED FINANCIAL AND OTHER DATA

The selected combined financial and other data below reflects the combined historical operations of New Mountain Finance Holdings, L.L.C., formerly known as New Mountain Guardian (Leveraged), L.L.C., and New Mountain Guardian Partners, L.P., the assets of which will be contributed to the Operating Company in connection with the formation transactions. This combined financial and other data is the Operating Company's historical financial and other data. The Operating Company will be New Mountain Finance's sole investment following the completion of this offering. To date, New Mountain Finance Corporation has had no operations. As described in "Formation Transactions and Related Agreements — Holding Company Structure", following the completion of this offering, New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company.

We have derived the selected historical balance sheet information as of December 31, 2008, 2009 and 2010 and the selected statement of operations information for the period from October 29, 2008 (inception) through December 31, 2008 and for the years ended December 31, 2009 and 2010 from the Operating Company's audited combined financial statements included elsewhere in this prospectus.

The historical financial information does not reflect the allocation of certain general and administrative costs or other expenses or the impact of management fees that were incurred by affiliates of New Mountain. We expect that, following the completion of this offering, our share of expenses and management fees as a stand-alone company will be higher than those historically incurred by the Operating Company. Accordingly, the historical financial information should not be relied upon as being representative of our financial position or operating results had we operated on a stand-alone basis under similar regulatory constraints, nor are they representative of our financial position or operating results following this offering. In addition, following the completion of this offering, New Mountain Finance will own approximately 36.4% of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares. Depending on New Mountain Finance's ownership interest in the Operating Company, the Operating Company's results of operations may not be consolidated with New Mountain Finance's results of operations in future periods. As a result, the historical and future financial information may not be representative of New Mountain Finance's financial information in future periods.

The financial and other information below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Senior Securities" and

the Operating Company's combined financial statements and related notes, which are included elsewhere in this prospectus.

	Year ended December 31, 2010	Year ended December 31, 2009	Period from October 29, 2008 (inception) through December 31, 2008
		(dollars in thousands)	
Income statement data:			
Total investment income	$ 41,375	$ 21,767	$ 256
Total expenses	3,911	1,359	—
Net investment income	37,464	20,408	256
Realized gains on investments	$ 66,287	$ 37,129	—
Net change in unrealized (depreciation) / appreciation of investments	(39,959)	68,143	(1,435)
Net increase (decrease) in net assets resulting from operations	$ 63,792	$ 125,680	$ (1,179)
Other data:			
Weighted average Yield to Maturity(1)	12.5%	12.7%	18.8%
Number of portfolio companies at period end	43	24	6
Balance sheet data:			
Total investments at fair value	$ 441,058	$ 320,523	$ 61,451
Total cash and cash equivalents	10,744	4,110	189
Total assets	460,224	330,558	61,669
Borrowings outstanding	116,633	77,745	—
Net assets	241,927	239,441	30,354

(1) Assumes that the investments in our portfolio as of the Portfolio Date are purchased at fair value on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. Also assumes that unfunded revolvers remain undrawn. Interest income is assumed to be received quarterly for all debt securities. For floating rate debt securities, the interest rate is calculated by adding the spread to the projected three-month LIBOR at each respective quarter, which is determined based on the forward three-month LIBOR curve per Bloomberg as of the Portfolio Date. This calculation excludes the impact of existing leverage, except for the non-recourse debt of SLF. SLF is treated as a fully levered asset of the Operating Company, with SLF's net asset value being included for yield calculation purposes.

RISK FACTORS

Investing in New Mountain Finance's common stock involves a number of significant risks. In addition to the other information contained in this prospectus, you should consider carefully the following information before making an investment in New Mountain Finance's common stock. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of New Mountain Finance's common stock could decline, and you may lose all or part of your investment.

Risks Relating to Our Business

We have a limited operating history.

New Mountain Finance is a newly-formed entity and the Operating Company commenced operations in October 2008. Prior to the completion of this offering, the Operating Company will own all of the operations of the Predecessor Entities existing immediately prior to the formation transactions, including all of the assets and liabilities related to such operations. New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company. As a result, we will be subject to many of the business risks and uncertainties associated with any new business, including the risk that we will not achieve our investment objective and that, as a result, the value of New Mountain Finance's common stock could decline substantially.

We do not expect to replicate the Predecessor Entities' historical performance or the historical performance of other entities managed or supported by New Mountain.

We do not expect that we will replicate the Predecessor Entities' historical performance or the historical performance of New Mountain's investments, and our investment returns may be substantially lower than the returns achieved by the Predecessor Entities. Although the Predecessor Entities commenced operations during otherwise unfavorable economic conditions, this was a favorable environment in which to conduct our business in light of our investment objectives and strategy. In addition, our investment strategies may differ from those of New Mountain or its affiliates. New Mountain Finance and the Operating Company, as business development companies, and New Mountain Finance, as a RIC, and the Operating Company as a result of New Mountain Finance being a RIC, are subject to certain regulatory restrictions that do not apply to New Mountain or its affiliates.

The Operating Company will generally not be permitted to invest in any private company in which New Mountain or any of its affiliates holds an existing investment, except to the extent permitted by the 1940 Act. This may adversely affect the pace at which the Operating Company makes investments. Moreover, we expect the Operating Company will operate with a different leverage profile than the Predecessor Entities. Furthermore, none of the prior results were from public reporting companies, and all or a portion of these results were achieved in particularly favorable market conditions for our investment strategy which may never be repeated. Finally, we can offer no assurance that our investment team will be able to continue to implement our investment objective with the same degree of success as it has had in the past.

There will be uncertainty as to the value of our portfolio investments because most of our investments are, and will continue to be in private companies and recorded at fair value. In addition, because New Mountain Finance will be a holding company, the fair value of our investments will be initially determined by the Operating Company's board of directors in accordance with our valuation policy.

Some of our investments are and will be in the form of securities or loans that are not publicly traded. The fair value of these investments may not be readily determinable. Under the 1940 Act, the Operating Company is required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined in good faith by its board of directors, including to reflect significant events affecting the value of our securities. The Operating Company will value our investments for which it does not have readily available market quotations quarterly, or more frequently as circumstances require, at fair value as determined in good faith by its board of directors in accordance with its valuation policy, which is at all times consistent with generally accepted accounting principles.

The Operating Company's board of directors expects to utilize the services of one or more independent third-party valuation firms to aid it in determining the fair value with respect to its material unquoted assets. We expect that inputs into the determination of fair value of these investments may require significant management judgment or estimation. Even if observable market data are available, such information may be the result of consensus pricing information or broker quotes, which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non-binding nature of consensus pricing and/or quotes accompanied by disclaimers materially reduces the reliability of such information.

The types of factors that the board of directors may take into account in determining the fair value of our investments generally include, as appropriate: available market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, security covenants, call protection provisions, information rights, the nature and realizable value of any collateral, the portfolio company's ability to make payments, its earnings and discounted cash flows and the markets in which it does business, comparisons of financial ratios of peer companies that are public, comparable merger and acquisition transactions and the principal market and enterprise values. Because these valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, the Operating Company's determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed.

Due to this uncertainty, the Operating Company's fair value determinations may cause its net asset value and, consequently, New Mountain Finance's net asset value on any given date to materially understate or overstate the value that the Operating Company may ultimately realize upon the sale of one or more of our investments. In addition, investors purchasing New Mountain Finance's common stock based on an overstated net asset value would pay a higher price than the realizable value of our investments might warrant. Because New Mountain Finance will be a holding company and its only business and sole asset will be its ownership of common membership units of the Operating Company, New Mountain Finance's net asset value will be based on the Operating Company's valuation and its percentage interest in the Operating Company.

Although the Operating Company's initial board of directors will be comprised of the same individuals as New Mountain Finance's board of directors, there can be no assurances that the Operating Company's board composition will remain the same as New Mountain Finance's following the completion of this offering. As a result, the value of your investment in New Mountain Finance could be similarly understated or overstated based on the Operating Company's fair value determinations. However, in the event that New Mountain Finance's board of directors believes that

a different fair value for the Operating Company's investments is appropriate, New Mountain Finance's board of directors will endeavor to discuss the differences in the valuations with the Operating Company's board of directors for the purposes of resolving the differences in valuation. The valuation procedures of New Mountain Finance will be substantially similar to those utilized by the Operating Company described above.

The Operating Company will adjust quarterly the valuation of our portfolio to reflect its board of directors' determination of the fair value of each investment in our portfolio. Any changes in fair value will be recorded in the Operating Company's statement of operations as net change in unrealized appreciation or depreciation.

Our ability to achieve our investment objective depends on key investment personnel of the Investment Adviser. If the Investment Adviser were to lose any of its key investment personnel, our ability to achieve our investment objective could be significantly harmed.

We will depend on the investment judgment, skill and relationships of the investment professionals of the Investment Adviser, particularly Steven Klinsky and Robert Hamwee, as well as other key personnel to identify, evaluate, negotiate, structure, execute, monitor and service our investments. The Investment Adviser is an affiliate of New Mountain and will be supported by New Mountain's team, which as of December 31, 2010 consisted of approximately 86 staff members, including approximately 53 investment professionals (including 14 managing directors and 13 senior advisers) as well as 14 finance and operational professionals and other resources of New Mountain and its affiliates to fulfill its obligations to the Operating Company under the Investment Management Agreement. The Investment Adviser may also depend upon New Mountain to obtain access to investment opportunities originated by the professionals of New Mountain and its affiliates. Our future success will depend to a significant extent on the continued service and coordination of the key investment personnel of the Investment Adviser. The departure of any of these individuals could have a material adverse effect on our ability to achieve our investment objective.

The Investment Adviser's investment committee, which provides oversight over our investment activities, is provided by the Investment Adviser. The Investment Adviser's investment committee currently consists of five members. The loss of any member of the Investment Adviser's investment committee or of other senior professionals of the Investment Adviser and its affiliates without suitable replacement could limit our ability to achieve our investment objective and operate as we anticipate. This could have a material adverse effect on our financial condition, results of operation and cash flows. To achieve our investment objective, the Investment Adviser may need to hire, train, supervise and manage new investment professionals to participate in our investment selection and monitoring process. If the Investment Adviser is unable to find investment professionals or do so in a timely manner, our business, financial condition and results of operations could be adversely affected.

The Investment Adviser does not have any prior experience managing a business development company or a RIC, which could adversely affect our business.

The Investment Adviser has not previously managed a business development company or a RIC. The 1940 Act and the Code impose numerous constraints on the operations of business development companies and RICs that do not apply to the other investment vehicles previously managed by the investment professionals of the Investment Adviser. For example, under the 1940 Act, business development companies are required to invest at least 70% of their total assets primarily in securities of qualifying U.S. private or thinly traded companies, cash, cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less. See "Regulation". Moreover, qualification for taxation as a RIC under subchapter M of the Code

requires satisfaction of source-of-income, asset diversification and annual distribution requirements. New Mountain Finance will have no assets other than its ownership of common membership units of the Operating Company and will have no material long-term liabilities. As a result, New Mountain Finance will look to the Operating Company's assets and income for purposes of satisfying the requirements under the 1940 Act applicable to business development companies and the requirements under the Code applicable to RICs. The failure to comply with these provisions in a timely manner could prevent New Mountain Finance and the Operating Company from qualifying as business development companies or New Mountain Finance from qualifying as a RIC and could force us to pay unexpected taxes and penalties, which would have a material adverse effect on our performance. The Investment Adviser's lack of experience in managing a portfolio of assets under the constraints applicable to business development companies and RICs may hinder its ability to take advantage of attractive investment opportunities and, as a result, achieve our investment objective. If the Operating Company fails to maintain its status as a business development company or operate in a manner consistent with New Mountain Finance's status as a RIC, its operating flexibility could be significantly reduced and New Mountain Finance may be unable to maintain its status as a business development company or a RIC.

We operate in a highly competitive market for investment opportunities and may not be able to compete effectively.

We compete for investments with other business development companies and investment funds (including private equity funds), as well as traditional financial services companies such as commercial banks and other sources of funding. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of capital and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments than we have. Furthermore, many of our competitors have greater experience operating under, or are not subject to, the regulatory restrictions that the 1940 Act will impose on New Mountain Finance and the Operating Company as business development companies or the source-of-income, asset diversification and distribution requirements that New Mountain Finance must satisfy to obtain and maintain its RIC status. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to do. There are a number of new business development companies that have recently completed their initial public offerings or that have filed registration statements with the SEC, which could create increased competition for investment opportunities.

We may lose investment opportunities if we do not match our competitors' pricing, terms and structure. With respect to the investments we make, we will not seek to compete based primarily on the interest rates we will offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. In the secondary market for acquiring existing loans, we expect to compete generally on the basis of pricing terms. If we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss. If we are forced to match our competitors' pricing, terms and structure, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. Part of our competitive advantage stems from the fact that we believe the market for middle-market lending is underserved by traditional bank lenders and other financial sources. A significant increase in the number and/or the size of our competitors in this target market could force us to accept less attractive investment terms. We may also compete for investment opportunities with accounts managed by the Investment Adviser or its affiliates. Although the Investment Adviser will allocate opportunities in accordance with its policies and procedures, allocations to such other accounts will reduce the amount and frequency of opportunities available

to us and may not be in the best interests of us and, consequently, New Mountain Finance's stockholders. Moreover, the performance of investment opportunities will not be known at the time of allocation. See "— The Investment Adviser has significant potential conflicts of interest with New Mountain Finance and the Operating Company and, consequently, your interests as stockholders which could adversely impact our investment returns" and "Certain Relationships and Related Transactions". If we are not able to compete effectively, our business, financial condition and results of operations will be adversely affected. Because of this competition, there can be no assurance that we will be able to identify and take advantage of attractive investment opportunities that we identify or that we will be able to fully invest our available capital.

Our business, results of operations and financial condition will depend on the Operating Company's ability to manage future growth effectively.

Our ability to achieve our investment objective and to grow depends on the Investment Adviser's ability to identify, invest in and monitor companies that meet our investment criteria. Accomplishing this result on a cost-effective basis is largely a function of the Investment Adviser's structuring of the investment process, its ability to provide competent, attentive and efficient services to the Operating Company and its ability to access financing on acceptable terms. The Investment Adviser has substantial responsibilities under the Investment Management Agreement and may also be called upon to provide managerial assistance to our portfolio companies. These demands on the time of the Investment Adviser and its investment professionals may distract them or slow the Operating Company's rate of investment. In order to grow, the Operating Company and the Investment Adviser may need to retain, train, supervise and manage new investment professionals. However, these investment professionals may not be able to contribute effectively to the work of the Investment Adviser. If we are unable to manage our future growth effectively, our business, results of operations and financial condition could be materially adversely affected.

The incentive fee may induce the Investment Adviser to make speculative investments.

The incentive fee payable to the Investment Adviser may create an incentive for the Investment Adviser to pursue investments that are risky or more speculative than would be the case in the absence of such compensation arrangement, which could result in higher investment losses, particularly during cyclical economic downturns. The incentive fee payable to the Investment Adviser is calculated based on a percentage of the Operating Company's return on investment capital. This may encourage the Investment Adviser to use leverage to increase the return on our investments. In addition, because the base management fee is payable based upon the Operating Company's gross assets, which includes any borrowings for investment purposes, but excludes cash and cash equivalents for investment purposes, the Investment Adviser may be further encouraged to use leverage to make additional investments. Under certain circumstances, the use of leverage may increase the likelihood of default, which would impair the value of New Mountain Finance's common membership units of the Operating Company and, consequently, the value of New Mountain Finance's common stock.

The incentive fee payable to the Investment Adviser also may create an incentive for the Investment Adviser to invest in instruments that have a deferred interest feature, even if such deferred payments would not provide the cash necessary for the Operating Company to make distributions to New Mountain Finance that enable New Mountain Finance to pay current distributions to its stockholders. Under these investments, the Operating Company would accrue the interest over the life of the investment but would not receive the cash income from the investment until the end of the investment's term, if at all. The Operating Company's net investment income used to calculate the income portion of the incentive fee, however, includes accrued interest. Thus, a portion of the incentive fee would be based on income that the Operating

Company has not yet received in cash and may never receive in cash if the portfolio company is unable to satisfy such interest payment obligations. In addition, the "catch-up" portion of the incentive fee may encourage the Investment Adviser to accelerate or defer interest payable by portfolio companies from one calendar quarter to another, potentially resulting in fluctuations in timing and dividend amounts.

The Operating Company will borrow money, which could magnify the potential for gain or loss on amounts invested in us and increase the risk of investing in us.

The Operating Company intends to borrow money as part of our business plan. Borrowings, also known as leverage, magnify the potential for gain or loss on invested equity capital and may, consequently, increase the risk of investing in us. We expect the Operating Company to continue to use leverage to finance our investments, through senior securities issued by banks and other lenders. The Operating Company is restricted from incurring additional indebtedness under the Credit Facility, without lender consent. Lenders of these senior securities will have fixed dollar claims on the Operating Company's assets that will be superior to New Mountain Finance's claim as a member of the Operating Company, and, consequently, superior to claims of New Mountain Finance's common stockholders. If the value of the Operating Company's assets decreases, leveraging would cause its net asset value and, consequently, New Mountain Finance's net asset value, to decline more sharply than it otherwise would have had it not leveraged. Similarly, any decrease in the Operating Company's income would cause its net income and consequently New Mountain Finance's net income to decline more sharply than it would have had it not borrowed. Such a decline could adversely affect the Operating Company's ability to make distributions to its members and, consequently, New Mountain Finance's ability to make common stock dividend payments. In addition, because our investments may be illiquid, the Operating Company may be unable to dispose of them or to do so at a favorable price in the event it needs to do so if it is unable to refinance any indebtedness upon maturity and, as a result, we may suffer losses. Leverage is generally considered a speculative investment technique.

The Operating Company's ability to service any debt that it incurs will depend largely on its financial performance and will be subject to prevailing economic conditions and competitive pressures. Moreover, as the Investment Adviser's management fee will be payable to the Investment Adviser based on gross assets, including those assets acquired through the use of leverage, the Investment Adviser may have a financial incentive to incur leverage which may not be consistent with New Mountain Finance's interests and the interests of its common stockholders. In addition, holders of New Mountain Finance's common stock will, indirectly, bear the burden of any increase in the Operating Company's expenses as a result of leverage, including any increase in the management fee payable to the Investment Adviser.

At December 31, 2010, the Predecessor Entities had $59.7 million and $56.9 million of indebtedness outstanding under the Predecessor Credit Facility and the SLF Credit Facility, respectively. The Predecessor Credit Facility had an effective annual interest rate of 3.3% for the year ended December 31, 2010 and the SLF Credit Facility had an effective interest rate of 2.5% for the period October 7, 2010 (commencement of SLF operations) through December 31, 2010. In order for the Operating Company to cover these annualized interest payments on indebtedness, it must achieve annual returns on its assets of at least 1.0% based on the amount of its assets at December 31, 2010.

Illustration. The following table illustrates the effect of leverage on returns from an investment in New Mountain Finance's common stock assuming various annual returns, net of expenses and adjusted for unsettled securities purchased. The calculations in the table below are hypothetical. Actual returns may be higher or lower than those appearing below and will also depend on New Mountain Finance's ownership interest in the Operating Company. The calculation assumes

(i) $460.2 million in total assets, (ii) a weighted average cost of borrowings of 2.8%, (iii) $167.7 million in debt outstanding and (iv) $285.3 million in stockholders' equity.

Assumed Return on Our Portfolio
(net of expenses)

	-10%	-5%	0%	5%	10%
Corresponding return to stockholder	(17.80)%	(9.73)%	(1.67)%	6.40%	14.47%

New Mountain Finance and the Operating Company may need to raise additional capital to grow because New Mountain Finance must distribute most of its income.

All of the proceeds from this offering and the concurrent private placement will be contributed to the Operating Company in exchange for New Mountain Finance's acquisition of common membership units of the Operating Company. New Mountain Finance and the Operating Company may need additional capital to fund new investments and grow our portfolio of investments once the Operating Company has fully invested these proceeds. New Mountain Finance may access the capital markets periodically to issue equity securities, which would in turn increase the equity capital available to the Operating Company. In addition, the Operating Company may also issue debt securities or borrow from financial institutions in order to obtain such additional capital. However, the Operating Company is restricted from incurring additional indebtedness under the Credit Facility, without lender consent. Under the 1940 Act, New Mountain Finance is not permitted to own any other securities other than its common membership units of the Operating Company. As a result, any proceeds from offerings by New Mountain Finance of equity securities would be contributed to the Operating Company. Unfavorable economic conditions could increase New Mountain Finance's and the Operating Company's funding costs, limit their access to the capital markets or result in a decision by lenders not to extend credit to the Operating Company. A reduction in the availability of new capital could limit our ability to grow. In addition, New Mountain Finance will be required to distribute at least 90% of its net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to its stockholders to obtain and maintain its RIC status. As a result, these earnings will not be available to fund new investments. If New Mountain Finance or the Operating Company is unable to access the capital markets or if the Operating Company is unable to borrow from financial institutions, the Operating Company may be unable to grow our business and execute our business strategy fully and our earnings, if any, could decrease which could have an adverse effect on the value of New Mountain Finance's securities.

If the Operating Company is unable to comply with the covenants or restrictions in the Credit Facility, our business could be materially adversely affected.

The Credit Facility includes covenants that, subject to exceptions, among other things, restrict the Operating Company's ability to dispose of assets, incur additional indebtedness, pay distributions, create liens on assets, make investments, make acquisitions and engage in mergers or consolidations. The Credit Facility also includes change of control provisions that accelerate the indebtedness under the facility in the event of certain change of control events. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Credit Facilities — The Credit Facility". Complying with these restrictions may prevent the Operating Company from taking actions that we believe would help it to grow our business or are otherwise consistent with our investment objective. These restrictions could also limit the Operating Company's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Credit

Facilities — The Credit Facility" for additional information regarding the Operating Company's credit arrangements. In addition, the restrictions contained in the Credit Facility could limit the Operating Company's ability to make distributions to its members in certain circumstances which could result in New Mountain Finance failing to qualify as a RIC and thus becoming subject to corporate-level federal income tax (and any applicable state and local taxes).

The breach of any of the covenants or restrictions unless cured within the applicable grace period, would result in a default under the Credit Facility that would permit the lender to declare all amounts outstanding to be due and payable. In such an event, the Operating Company may not have sufficient assets to repay such indebtedness. As a result, any default could have serious consequences to our financial condition. An event of default or an acceleration under the Credit Facility could also cause a cross-default or cross-acceleration of another debt instrument or contractual obligation, which would adversely impact the Operating Company's liquidity. An event of default under the Credit Facility will trigger an event of default under the SLF Credit Facility. The Operating Company may not be granted waivers or amendments to the Credit Facility if for any reason it is unable to comply with it, and the Operating Company may not be able to refinance the Credit Facility on terms acceptable to it, or at all.

If SLF is unable to comply with the covenants or restrictions in the SLF Credit Facility, our business could be materially adversely affected.

The SLF Credit Facility includes covenants that, subject to exceptions, among other things, restrict SLF's ability to dispose of assets, incur additional indebtedness, pay distributions, create liens on assets, make investments, make acquisitions and engage in mergers or consolidations. The SLF Credit Facility also includes change of control provisions that accelerate the indebtedness under the facility in the event of certain change of control events. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Credit Facilities — The SLF Credit Facility". Complying with these restrictions may prevent SLF from taking actions that we believe would help it to grow our business or are otherwise consistent with our investment objective. These restrictions could also limit SLF's ability to plan for or react to market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Credit Facilities — The SLF Credit Facility" for additional information regarding SLF's credit arrangements. In addition, the restrictions contained in the SLF Credit Facility could limit SLF's ability to make distributions to the Operating Company in certain circumstances which could limit the Operating Company's ability to make distributions to its members. This could result in New Mountain Finance failing to qualify as a RIC and thus becoming subject to corporate-level federal income tax (and any applicable state and local taxes).

The breach of any of the covenants or restrictions, unless cured within the applicable grace period, or an "Event of Default" under the Credit Facility, would result in a default under the SLF Credit Facility that would permit the lender to declare all amounts outstanding to be due and payable. In such an event, SLF may not have sufficient assets to repay such indebtedness. As a result, any default could have serious consequences for the Operating Company's results of operations and financial condition. SLF may not be granted waivers or amendments to the SLF Credit Facility if for any reason it is unable to comply with it, and SLF may not be able to refinance the SLF Credit Facility on terms acceptable to it, or at all.

The Operating Company may enter into reverse repurchase agreements, which are another form of leverage.

Subject to limitations in the Credit Facility, the Operating Company may enter into reverse repurchase agreements as part of its management of our temporary investment portfolio. Under a

reverse repurchase agreement, the Operating Company will effectively pledge its assets as collateral to secure a short-term loan. Generally, the other party to the agreement makes the loan in an amount equal to a percentage of the fair value of the pledged collateral. At the maturity of the reverse repurchase agreement, the payor will be required to repay the loan and correspondingly receive back its collateral. While used as collateral, the assets continue to pay principal and interest which are for the benefit of the Operating Company.

The Operating Company's use of reverse repurchase agreements, if any, involves many of the same risks involved in its use of leverage, as the proceeds from reverse repurchase agreements generally will be invested in additional securities. There is a risk that the market value of the securities acquired with the proceeds of a reverse repurchase agreement may decline below the price of the securities that it has sold but remains obligated to repurchase under the reverse repurchase agreement. In addition, there is a risk that the market value of the securities effectively pledged by the Operating Company may decline. If a buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experience insolvency, the Operating Company may be adversely affected. Also, in entering into reverse repurchase agreements, the Operating Company would bear the risk of loss to the extent that the proceeds of such agreements at settlement are more than the fair value of the underlying securities being pledged. In addition, due to the interest costs associated with reverse repurchase agreements transactions, the Operating Company's net asset value would decline, and, in some cases, we may be worse off than if such instruments had not been used.

If the Operating Company is unable to obtain additional debt financing, or if its borrowing capacity is materially reduced, our business could be materially adversely affected.

The Operating Company may want to obtain additional debt financing, or need to do so upon maturity of its Credit Facility, in order to obtain funds which may be made available for investments. The Operating Company is restricted from incurring additional indebtedness under the Credit Facility without lender consent. The revolving period under the Credit Facility ends on October 21, 2013, and the Credit Facility matures on October 21, 2015. If the Operating Company is unable to increase, renew or replace any such facility and enter into a new debt financing facility or other debt financing on commercially reasonable terms, its liquidity may be reduced significantly. In addition, if the Operating Company is unable to repay amounts outstanding under any such facilities and is declared in default or is unable to renew or refinance these facilities, it may not be able to make new investments or operate our business in the normal course. These situations may arise due to circumstances that the Operating Company may be unable to control, such as lack of access to the credit markets, a severe decline in the value of the U.S. dollar, a further economic downturn or an operational problem that affects third parties or the Operating Company, and could materially damage the Operating Company's business operations and, consequently, New Mountain Finance's business, results of operations and financial condition.

An extended continuation of the disruption in the capital markets and the credit markets could adversely affect our business.

As business development companies, New Mountain Finance and the Operating Company must maintain their ability to raise additional capital for investment purposes. If New Mountain Finance or the Operating Company is unable to access the capital markets or credit markets, the Operating Company may be forced to curtail its business operations and may be unable to pursue new investment opportunities. The capital markets and the credit markets have experienced extreme volatility in recent periods, and, as a result, there has been and will likely continue to be uncertainty in the financial markets in general. Disruptions in the capital markets increased the spread between the yields realized on risk-free and higher risk securities, resulting in illiquidity in

parts of the capital markets. In addition, a prolonged period of market illiquidity may cause the Operating Company to reduce the volume of loans it originates and/or funds and adversely affect the value of our portfolio investments. Unfavorable economic conditions could also increase the Operating Company's funding costs, limit New Mountain Finance's and the Operating Company's access to the capital markets or result in a decision by lenders not to extend credit to the Operating Company. These events could limit our investment originations, limit our ability to grow and negatively impact our operating results. Ongoing disruptive conditions in the financial industry and the impact of new legislation in response to those conditions could restrict the Operating Company's business operations and, consequently, could adversely impact New Mountain Finance's business, results of operations and financial condition.

If the fair value of the Operating Company's assets declines substantially, it may fail to maintain the asset coverage ratios imposed upon it by the 1940 Act and contained in its Credit Facility. Any such failure would affect the Operating Company's ability to issue senior securities, including borrowings, draw on its Credit Facility and pay distributions, which could materially impair its business operations. The Operating Company's liquidity could be impaired further by New Mountain Finance's or the Operating Company's inability to access the capital or credit markets. For example, we cannot be certain that the Operating Company will be able to renew its credit facilities as they mature or to consummate new borrowing facilities to provide capital for normal operations, including new originations. Reflecting concern about the stability of the financial markets, many lenders and institutional investors have reduced or ceased providing funding to borrowers. This market turmoil and tightening of credit have led to increased market volatility and widespread reduction of business activity generally. In addition, adverse economic conditions due to these disruptive conditions could materially impact the Operating Company's ability to comply with the financial and other covenants in any existing or future credit facilities. If the Operating Company is unable to comply with these covenants, its business could be materially adversely affected, which could, as a result, materially adversely affect New Mountain Finance's business, results of operations and financial condition.

Changes in interest rates may affect the Operating Company's cost of capital and net investment income.

To the extent the Operating Company borrows money to make investments, the Operating Company's net investment income will depend, in part, upon the difference between the rate at which it borrows funds and the rate at which it invests those funds. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on the Operating Company's net investment income in the event it uses debt to finance its investments. In periods of rising interest rates, the Operating Company's cost of funds would increase, which could reduce its net investment income. We expect that the Operating Company's long-term fixed-rate investments will be financed primarily with proceeds of issuances of equity by New Mountain Finance and long-term debt securities by the Operating Company. The Operating Company may use interest rate risk management techniques in an effort to limit its exposure to interest rate fluctuations. These techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act.

Because the Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to obtain and maintain its status as a RIC, and because New Mountain Finance intends to distribute substantially all of its income to its stockholders to obtain and maintain its status as a RIC, New Mountain Finance and the Operating Company will continue to need additional capital to finance our growth. If additional funds are unavailable or not available on favorable terms, our ability to grow will be impaired.

In order for New Mountain Finance to qualify for the tax benefits available to RICs and to avoid payment of excise taxes, the Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to obtain and maintain its status as a RIC, and New Mountain Finance intends to distribute to its stockholders substantially all of its annual taxable income, except that it may retain certain net capital gains for reinvestment in common membership units of the Operating Company, and treat such amounts as deemed distributions to its stockholders. If New Mountain Finance elects to treat any amounts as deemed distributions, New Mountain Finance must pay income taxes at the corporate rate on such deemed distributions on behalf of its stockholders. As a result of these requirements, New Mountain Finance and the Operating Company will likely need to raise capital from other sources to grow our business. As a business development company, the Operating Company will be required to meet a coverage ratio of total assets, less liabilities and indebtedness not represented by senior securities, to total senior securities, which includes all of the Operating Company's borrowings and any outstanding preferred membership units, of at least 200%. The Operating Company will consolidate the assets and liabilities of SLF for the purposes of its financial statements and calculating compliance with the 200% asset coverage ratio. Because New Mountain Finance will have no assets other than its ownership of common membership units of the Operating Company and will have no material long-term liabilities, New Mountain Finance will look to the Operating Company's assets for purposes of satisfying this test. These requirements limit the amount that the Operating Company may borrow. Because the Operating Company will continue to need capital to grow our investment portfolio, these limitations may prevent the Operating Company from incurring debt and require New Mountain Finance to raise additional equity at a time when it may be disadvantageous to do so. While we expect the Operating Company will be able to borrow and to issue additional debt securities and expect that New Mountain Finance will be able to issue additional equity securities, which would in turn increase the equity capital available to the Operating Company, we cannot assure you that debt and equity financing will be available to New Mountain Finance or the Operating Company on favorable terms, or at all. In addition, as a business development company, New Mountain Finance generally will not be permitted to issue equity securities priced below net asset value without stockholder approval. If additional funds are not available to New Mountain Finance or the Operating Company, the Operating Company could be forced to curtail or cease new investment activities, and the Operating Company's net asset value and, consequently, New Mountain Finance's net asset value, could decline.

Our ability to enter into transactions with our affiliates is restricted.

As business development companies, New Mountain Finance and the Operating Company will be prohibited under the 1940 Act from participating in certain transactions with their respective affiliates without the prior approval of their respective independent directors and, in some cases, the SEC. Any person that owns, directly or indirectly, 5% or more of New Mountain Finance's outstanding voting securities will be New Mountain Finance's and the Operating Company's affiliate for purposes of the 1940 Act. New Mountain Finance and the Operating Company will generally be prohibited from buying or selling any securities (other than their respective securities) from or to an affiliate. The 1940 Act also prohibits certain "joint" transactions with an affiliate, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of independent directors and, in some cases, the SEC. If a person acquires more than

25% of New Mountain Finance's voting securities, New Mountain Finance and the Operating Company are prohibited from buying or selling any security (other than their respective securities) from or to such person or certain of that person's affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. Similar restrictions limit New Mountain Finance's and the Operating Company's ability to transact business with their respective officers or directors or their affiliates. As a result of these restrictions, the Operating Company may be prohibited from buying or selling any security from or to any portfolio company of a private equity fund managed by any affiliate of the Investment Adviser without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to the Operating Company.

New Mountain Finance and the Operating Company expect to file an application with the SEC requesting exemptive relief from certain provisions of the 1940 Act and the Securities Exchange Act of 1934.

The 1940 Act prohibits certain transactions between New Mountain Finance, the Operating Company and their respective affiliates without first obtaining an exemptive order from the SEC. New Mountain Finance and the Operating Company expect to file an application with the SEC requesting an order exempting them from certain provisions of the 1940 Act and from certain reporting requirements mandated by the Securities Exchange Act of 1934, or the Exchange Act. If the relief under the Exchange Act is granted, the Operating Company would be exempt from the reporting obligations under the Exchange Act. However, New Mountain Finance would continue to be required to file these reports which would include disclosure with respect to the Operating Company. There may be delays and costs involved in obtaining this relief, and there is no assurance that the application for exemptive relief will be granted by the SEC. New Mountain Finance and the Operating Company also intend to seek exemptive relief to permit the Operating Company to pay the incentive fee payable to the Investment Adviser in common membership units of the Operating Company, which will be exchangeable into shares of New Mountain Finance's common stock and there is no assurance that the application for exemptive relief will be granted by the SEC. See "— The Operating Company's ability to pay 50%, on an after tax basis, of the incentive fee to the Investment Adviser in common membership units of the Operating Company is contingent on receipt of exemptive relief from the SEC".

The Investment Adviser has significant potential conflicts of interest with New Mountain Finance and the Operating Company and, consequently, your interests as stockholders which could adversely impact our investment returns.

New Mountain Finance's and the Operating Company's executive officers and directors, as well as the current or future investment professionals of the Investment Adviser, serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do or of investment funds managed by New Mountain Finance's and the Operating Company's affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in your interests as stockholders. Although we are currently New Mountain's only vehicle focused primarily on investing in the Target Securities, in the future, the investment professionals of the Investment Adviser and/or New Mountain employees that provide services pursuant to the Investment Management Agreement may manage other funds which may from time to time have overlapping investment objectives with our own and, accordingly, may invest in, whether principally or secondarily, asset classes similar to those targeted by us. If this occurs, the Investment Adviser may face conflicts of interest in allocating investment opportunities to the Operating Company and such other funds. Although the investment professionals will endeavor to allocate investment opportunities in a fair and equitable manner, it is possible that the Operating Company may not be given the opportunity to participate in certain investments made by the

Investment Adviser or persons affiliated with the Investment Adviser or that certain of these investment funds may be favored over the Operating Company. When these investment professionals identify an investment, they will be forced to choose which investment fund should make the investment.

If the Investment Adviser forms other affiliates in the future, the Operating Company may co-invest on a concurrent basis with such other affiliate, subject to compliance with applicable regulations and regulatory guidance or an exemptive order from the SEC and the Operating Company's allocation procedures. In addition, the Operating Company pays management and incentive fees to the Investment Adviser and reimburses the Investment Adviser for certain expenses it incurs. As a result, investors in New Mountain Finance's common stock will invest in New Mountain Finance and indirectly in the Operating Company, on a "gross" basis and receive distributions on a "net" basis after New Mountain Finance's pro rata share of the Operating Company's expenses. Also, the incentive fee payable to the Investment Adviser may create an incentive for the Investment Adviser to pursue investments that are riskier or more speculative than would be the case in the absence of such compensation arrangements. Any potential conflict of interest arising as a result of the arrangements with the Investment Adviser could have a material adverse effect on our business, results of operations and financial condition.

The incentive fee the Operating Company pays to the Investment Adviser in respect of capital gains may be effectively greater than 20%.

As a result of the operation of the cumulative method of calculating the capital gains portion of the incentive fee the Operating Company will pay to the Investment Adviser, the cumulative aggregate capital gains fee received by the Investment Adviser could be effectively greater than 20%, depending on the timing and extent of subsequent net realized capital losses or net unrealized depreciation. For additional information on this calculation, see the disclosure in footnote 2 to Example 2 under the caption "Investment Management Agreement — Overview of the Investment Adviser — Management Fee — Incentive Fee". We cannot predict whether, or to what extent, this payment calculation would affect your investment in New Mountain Finance's common stock.

The Investment Adviser's investment committee, the Investment Adviser or its affiliates may, from time to time, possess material non-public information, limiting the Operating Company's investment discretion.

The Investment Adviser's investment professionals, investment committee or their respective affiliates may serve as directors of, or in a similar capacity with, companies in which we invest through the Operating Company, the securities of which are purchased or sold on the Operating Company's behalf. In the event that material non-public information is obtained with respect to such companies, or we became subject to trading restrictions under the internal trading policies of those companies or as a result of applicable law or regulations, the Operating Company could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on the Operating Company and, consequently, your interests as stockholders of New Mountain Finance.

The valuation process for certain of our portfolio holdings creates a conflict of interest.

Some of our portfolio investments are expected to be made in the form of securities that are not publicly traded. As a result, the Operating Company's board of directors will determine the fair value of these securities in good faith. In connection with this determination, investment professionals from the Investment Adviser may provide the Operating Company's board of directors with portfolio company valuations based upon the most recent portfolio company financial

statements available and projected financial results of each portfolio company. In addition, Steven Klinsky, a member of New Mountain Finance's and the Operating Company's board of directors, has an indirect pecuniary interest in the Investment Adviser. The participation of the Investment Adviser's investment professionals in our valuation process, and the indirect pecuniary interest in the Investment Adviser by a member of New Mountain Finance's and the Operating Company's board of directors, could result in a conflict of interest as the Investment Adviser's management fee is based, in part, on the Operating Company's gross assets and incentive fees will be based, in part, on unrealized gains and losses.

Conflicts of interest may exist related to other arrangements with the Investment Adviser or its affiliates.

New Mountain Finance and the Operating Company have entered into a royalty-free license agreement with New Mountain under which New Mountain has agreed to grant New Mountain Finance and the Operating Company a non-exclusive, royalty-free license to use the name "New Mountain". See "License Agreement". In addition, the Operating Company will reimburse the Administrator for the allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement, such as rent and the allocable portion of the cost of New Mountain Finance's and the Operating Company's chief financial officer and chief compliance officer and their respective staffs. This could create conflicts of interest that the board of directors for New Mountain Finance and the Operating Company must monitor.

The Investment Management Agreement with the Investment Adviser and the Administration Agreement with the Administrator were not negotiated on an arm's length basis.

The Investment Management Agreement and the Administration Agreement were negotiated between related parties. In addition, New Mountain Finance and the Operating Company may choose not to enforce, or to enforce less vigorously, their respective rights and remedies under these agreements because of their desire to maintain their ongoing relationship with the Investment Adviser, the Administrator and their respective affiliates. Any such decision, however, could cause New Mountain Finance to breach its fiduciary obligations to its stockholders.

The Investment Adviser's liability will be limited under the Investment Management Agreement, and the Operating Company has agreed to indemnify the Investment Adviser against certain liabilities, which may lead the Investment Adviser to act in a riskier manner than it would when acting for its own account.

Under the Investment Management Agreement, the Investment Adviser will not assume any responsibility other than to render the services called for under that agreement, and it will not be responsible for any action of the Operating Company's board of directors in following or declining to follow the Investment Adviser's advice or recommendations. Under the terms of the Investment Management Agreement, the Investment Adviser, its officers, members, personnel, any person controlling or controlled by the Investment Adviser will not be liable to New Mountain Finance, the Operating Company, any of their subsidiaries or any of their respective directors, members or stockholders or any subsidiary's stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Management Agreement, except those resulting from acts constituting gross negligence, willful misconduct, bad faith or reckless disregard of the Investment Adviser's duties under the Investment Management Agreement. In addition, the Operating Company has agreed to indemnify the Investment Adviser and each of its officers, directors, members, managers and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with

our business and operations or any action taken or omitted pursuant to authority granted by the Investment Management Agreement, except where attributable to gross negligence, willful misconduct, bad faith or reckless disregard of such person's duties under the Investment Management Agreement. These protections may lead the Investment Adviser to act in a riskier manner than it would when acting for its own account.

The Investment Adviser can resign upon 60 days' notice, and a suitable replacement may not be found within that time, resulting in disruptions in the Operating Company's operations that could adversely affect our business, results of operations and financial condition.

Under the Investment Management Agreement, the Investment Adviser has the right to resign at any time upon 60 days' written notice, whether a replacement has been found or not. If the Investment Adviser resigns, the Operating Company may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If a replacement is not able to be found on a timely basis, our business, results of operations and financial condition and the Operating Company's ability to pay distributions are likely to be materially adversely affected and the market price of New Mountain Finance's common stock may decline. In addition, if the Operating Company is unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by the Investment Adviser and its affiliates, the coordination of its internal management and investment activities is likely to suffer. Even if the Operating Company is able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may materially adversely affect our business, results of operations and financial condition.

The Administrator can resign from its role as Administrator under the Administration Agreement, and a suitable replacement may not be found, resulting in disruptions that could adversely affect our business, results of operations and financial condition.

The Administrator has the right to resign under the Administration Agreement upon 60 days' written notice, whether a replacement has been found or not. If the Administrator resigns, it may be difficult to find a new administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms, or at all. If a replacement is not found quickly, our business, results of operations and financial condition as well as the Operating Company's ability to pay distributions are likely to be adversely affected and the market price of New Mountain Finance's common stock may decline. In addition, the coordination of New Mountain Finance's and the Operating Company's internal management and administrative activities is likely to suffer if they are unable to identify and reach an agreement with a service provider or individuals with the expertise possessed by the Administrator. Even if a comparable service provider or individuals to perform such services are retained, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may materially adversely affect our business, results of operations and financial condition.

If New Mountain Finance and the Operating Company fail to maintain their status as business development companies, our business and operating flexibility could be significantly reduced.

New Mountain Finance and the Operating Company intend to qualify as business development companies under the 1940 Act immediately prior to the completion of this offering. The 1940 Act imposes numerous constraints on the operations of business development companies. For example, business development companies are required to invest at least 70% of

their total assets in specified types of securities, primarily in private companies or thinly-traded U.S. public companies, cash, cash equivalents, U.S. government securities and other high quality debt investments that mature in one year or less. Failure to comply with the requirements imposed on business development companies by the 1940 Act could cause the SEC to bring an enforcement action against New Mountain Finance or the Operating Company and/or expose New Mountain Finance or the Operating Company to claims of private litigants. In addition, upon approval of a majority of New Mountain Finance's stockholders, or, in the Operating Company's case, a majority of its members voting on a pass through basis, New Mountain Finance or the Operating Company may elect to withdraw their respective election as a business development company. If New Mountain Finance or the Operating Company decide to withdraw their election, or if New Mountain Finance or the Operating Company otherwise fail to qualify, or maintain their qualification, as a business development company, New Mountain Finance or the Operating Company may be subject to the substantially greater regulation under the 1940 Act as a closed-end investment company. Compliance with these regulations would significantly decrease our operating flexibility and could significantly increase our cost of doing business. For additional information on the qualification requirements of a business development company, see the disclosure under the caption "Regulation".

If the Operating Company does not invest a sufficient portion of its assets in qualifying assets, it could be precluded from investing in certain assets or could be required to dispose of certain assets, which could have a material adverse effect on our business, financial condition and results of operations.

As a business development company, the Operating Company will be prohibited from acquiring any assets other than "qualifying assets" unless, at the time of and after giving effect to such acquisition, at least 70% of our total assets are qualifying assets. As of December 31, 2010, approximately $23.9 million, or approximately 5.2% of the Operating Company's total assets, were not "qualifying assets". We may acquire in the future other investments that are not "qualifying assets" to the extent permitted by the 1940 Act. If the Operating Company does not invest a sufficient portion of its assets in qualifying assets, it would be prohibited from investing in additional assets, which could have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent the Operating Company from making follow-on investments in existing portfolio companies (which could result in the dilution of its position) or could require the Operating Company to dispose of investments at inopportune times in order to come into compliance with the 1940 Act. If the Operating Company needs to dispose of these investments quickly, it may be difficult to dispose of such investments on favorable terms. For example, the Operating Company may have difficulty in finding a buyer and, even if a buyer is found, it may have to sell the investments at a substantial loss.

The Operating Company's ability to invest in public companies may be limited in certain circumstances.

To maintain the Operating Company's status, and consequently, New Mountain Finance's status as business development companies, the Operating Company is not permitted to acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of its total assets are qualifying assets (with certain limited exceptions). Subject to certain exceptions for follow-on investments and distressed companies, an investment in an issuer that has outstanding securities listed on a national securities exchange may be treated as qualifying assets only if such issuer has a common equity market capitalization that is less than $250 million at the time of such investment.

Regulations governing the operations of business development companies will affect New Mountain Finance's ability to raise additional equity capital as well as the Operating Company's ability to issue senior securities or borrow for investment purposes, any or all of which could have a negative effect on our investment objectives and strategies.

Our business will require a substantial amount of capital in addition to the proceeds of this offering and the concurrent private placement. The Operating Company may acquire additional capital from the issuance of senior securities, including borrowing or other indebtedness. In addition, New Mountain Finance may also issue additional equity capital, which would in turn increase the equity capital available to the Operating Company. Under the 1940 Act, New Mountain Finance is not permitted to own any other securities other than common membership units of the Operating Company. As a result, any proceeds from offerings of New Mountain Finance's equity securities would be contributed to the Operating Company and subsequently used by the Operating Company for investment purposes. However, New Mountain Finance and the Operating Company may not be able to raise additional capital in the future on favorable terms or at all.

The Operating Company may issue debt securities, other evidences of indebtedness or preferred membership units, and it may borrow money from banks or other financial institutions, which we refer to collectively as "senior securities", up to the maximum amount permitted by the 1940 Act. The 1940 Act permits the Operating Company to issue senior securities in amounts such that its asset coverage, as defined in the 1940 Act, equals at least 200% after each issuance of senior securities. The Operating Company will consolidate the assets and liabilities of SLF for purposes of its financial statements and calculating compliance with the 200% asset coverage ratio. If the Operating Company's asset coverage ratio were not at least 200%, it would be unable to issue senior securities, and if it had senior securities outstanding (other than any indebtedness issued in consideration of a privately arranged loan, such as any indebtedness outstanding under the Credit Facility or the SLF Credit Facility), it would be unable to make distributions to its members and, consequently, New Mountain Finance would be unable to pay dividends. However, at December 31, 2010, the only senior securities outstanding were indebtedness under the Predecessor Credit Facility and the SLF Credit Facility and therefore at December 31, 2010, the Operating Company would not have been precluded from paying distributions. If the value of the Operating Company's or SLF's assets declines, the Operating Company may be unable to satisfy this test. If that happens, the Operating Company or SLF may be required to liquidate a portion of its investments and repay a portion of its indebtedness at a time when such sales may be disadvantageous.

The Credit Facility matures on October 21, 2015 and permits borrowings of $160 million. The Predecessor Credit Facility had $59.7 million in debt outstanding as of December 31, 2010. The SLF Credit Facility matures on October 27, 2015 and permits borrowings of $150 million. The SLF Credit Facility had $56.9 million in debt outstanding as of December 31, 2010.

In addition, the Operating Company may in the future seek to securitize other portfolio securities to generate cash for funding new investments. To securitize loans, the Operating Company would likely create a wholly-owned subsidiary and contribute a pool of loans to the subsidiary. The Operating Company would then sell interests in the subsidiary on a non-recourse basis to purchasers and it would retain all or a portion of the equity in the subsidiary. If the Operating Company is unable to successfully securitize our loan portfolio, which must be done in compliance with the relevant restrictions in the Credit Facility, its ability to grow our business or fully execute our business strategy could be impaired and our earnings, if any, could decrease. The securitization market is subject to changing market conditions and the Operating Company may not be able to access this market when it would otherwise deem appropriate. Moreover, the successful securitization of our portfolio might expose the Operating Company to losses as the residual

investments in which it does not sell interests will tend to be those that are riskier and more apt to generate losses. The 1940 Act also may impose restrictions on the structure of any securitization.

New Mountain Finance may also obtain capital for use by the Operating Company through the issuance of additional equity capital, which would in turn increase the equity capital available to the Operating Company. As a business development company, New Mountain Finance generally is not able to issue or sell its common stock at a price below net asset value per share. If New Mountain Finance's common stock trades at a discount to its net asset value per share, this restriction could adversely affect its ability to raise equity capital. New Mountain Finance may, however, sell its common stock, or warrants, options or rights to acquire its common stock, at a price below its net asset value per share of the common stock if its board of directors and independent directors determine that such sale is in its best interests and the best interests of its stockholders, and its stockholders approve such sale. In any such case, the price at which New Mountain Finance's securities are to be issued and sold may not be less than a price that, in the determination of New Mountain Finance's board of directors, closely approximates the market value of such securities (less any underwriting commission or discount). If New Mountain Finance raises additional funds by issuing more shares of its common stock or if the Operating Company issues senior securities convertible into, or exchangeable for, New Mountain Finance's common stock, the percentage ownership of New Mountain Finance's stockholders may decline and you may experience dilution. Any proceeds from the issuance of additional shares of New Mountain Finance's common stock would be contributed to the Operating Company and used to purchase, on a one-for-one basis, additional common membership units of the Operating Company.

The Operating Company's ability to pay 50%, on an after tax basis, of the incentive fee to the Investment Adviser in common membership units of the Operating Company is contingent on receipt of exemptive relief from the SEC.

Pursuant to the Investment Management Agreement with the Investment Adviser, the Operating Company has agreed, to the extent permissible, to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company having a total market price, calculated based on the market price of New Mountain Finance's common stock, equal to the amount of the incentive fee, which common memberships units will be exchangeable into shares of New Mountain Finance's common stock on a one-for-one basis. Under the 1940 Act, the Operating Company is prohibited from issuing common membership units for services unless and until it obtains from the SEC an exemptive order permitting such practice. New Mountain Finance and the Operating Company will apply for an exemptive order from the SEC to permit the Operating Company to pay 50%, on an after tax basis, of the incentive fee to the Investment Adviser by issuing common membership units to the Investment Adviser. The SEC is not obligated to grant an exemptive order to allow this practice and will do so only if it determines that such practice is consistent with stockholder and member interests and does not involve overreaching by the Operating Company's management or board of directors. In addition, Section 16 of the Exchange Act imposes short swing profit liability on directors, officers and 10 percent owners of securities who purchase and sell those securities within a six-month period. In order to avoid potential short-swing profit liability as a result of receiving its incentive fee in common membership units, New Mountain Finance and the Operating Company will also apply for an exemptive order to treat the receipt of such common membership units and any common stock received upon exchange of such common membership units as an exempt purchase under Section 16 of the Exchange Act. The SEC is not obligated to grant such an order and there can be no assurance they will do so. If both forms of exemptive relief are not granted, the Operating Company will pay the entire incentive fee in cash, which would reduce the amount of cash available for the Operating Company to use for additional investments. This could, in turn, require the Operating Company to forego otherwise attractive investment opportunities.

Our business model in the future may depend to an extent upon our referral relationships with private equity sponsors, and the inability of the investment professionals of the Investment Adviser to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business strategy.

If the investment professionals of the Investment Adviser fail to maintain existing relationships or develop new relationships with other sponsors or sources of investment opportunities, the Operating Company will not be able to grow our investment portfolio. In addition, individuals with whom the investment professionals of the Investment Adviser have relationships are not obligated to provide us with investment opportunities, and, therefore, there is no assurance that any relationships they currently or may in the future have will generate investment opportunities for us.

We may experience fluctuations in our annual and quarterly results due to the nature of our business.

We could experience fluctuations in our annual and quarterly operating results due to a number of factors, some of which are beyond our control, including the ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities acquired and the default rate on such securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in the markets in which we operate and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

The Operating Company's board of directors may change our investment objective, operating policies and strategies without prior notice or member approval, the effects of which may be adverse to your interest as a stockholder.

The Operating Company's board of directors has the authority, except as otherwise provided in the 1940 Act, to modify or waive certain of our operating policies and strategies without prior notice and without member approval. As a result, the Operating Company's board of directors will be able to change our investment policies and objectives without any input from New Mountain Finance and its stockholders. However, absent member approval, voting on a pass through basis, the Operating Company may not change the nature of its business so as to cease to be, or withdraw its election as, a business development company. Under Delaware law and the LLC Agreement, the Operating Company also cannot be dissolved without prior member approval, voting on a pass through basis. Following the completion of this offering, the stockholders of New Mountain Finance will collectively own through their investment in New Mountain Finance approximately 36.4% of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares. As a result, the stockholders of New Mountain Finance, collectively, may not be able to influence the outcome of matters requiring a vote, on a pass through basis, of the members of the Operating Company, and your ability to terminate the Investment Management Agreement may be limited. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results and the market price of New Mountain Finance's common stock. Nevertheless, any such changes could adversely affect our business and impair the Operating Company's ability to make distributions to its members, and, consequently, New Mountain Finance's ability to make distributions to its stockholders.

New Mountain Finance will be subject to corporate-level federal income tax on all of its income if it is unable to qualify as a RIC under Subchapter M of the Code, which would have a material adverse effect on its financial performance.

Although New Mountain Finance intends to elect to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code, commencing with its taxable year ending December 31, 2011, no assurance can be given that New Mountain Finance will be able to qualify for and maintain RIC status. To obtain and maintain RIC status and be relieved of federal income taxes on income and gains distributed to its stockholders, New Mountain Finance must meet the annual distribution, source-of-income and asset diversification requirements described below. However, New Mountain Finance will have no assets, other than its direct ownership of common membership units of the Operating Company, and no source of cash flow, other than distributions from the Operating Company, and New Mountain Finance will not be permitted to conduct any business or ventures, other than in connection with the acquisition, ownership or disposition of common membership units of the Operating Company and its operation as a public reporting company. Accordingly, New Mountain Finance will look to the assets and income of the Operating Company, and will rely on the distributions made by the Operating Company to its members, for purposes of satisfying these requirements.

- The annual distribution requirement for a RIC will be satisfied if New Mountain Finance distributes to its stockholders on an annual basis at least 90% of its net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. Because the Operating Company and SLF intend to use debt financing, the Operating Company is expected to be subject to an asset coverage ratio requirement under the 1940 Act, and the Operating Company and SLF are expected to be subject to certain financial covenants contained in the Credit Facility, the SLF Credit Facility and other debt financing agreements (as applicable). This asset coverage ratio requirement and these financial covenants could, under certain circumstances, restrict SLF from making distributions to the Operating Company, and/or restrict the Operating Company from making distributions to its members, which distributions are necessary for New Mountain Finance to satisfy the distribution requirement. If the Operating Company is unable to obtain cash from other sources, and thus is unable to make sufficient distributions to its members, New Mountain Finance could fail to qualify for RIC tax treatment and thus become subject to corporate-level federal income tax (and any applicable state and local taxes).

- The source-of-income requirement will be satisfied if at least 90% of New Mountain Finance's allocable share of the Operating Company's gross income for each year is derived from dividends, interest, gains from the sale of stock or securities or similar sources.

- The asset diversification requirement will be satisfied if New Mountain Finance meets certain asset diversification requirements at the end of each quarter of its taxable year. To satisfy this requirement, at least 50% of the value of New Mountain Finance's assets must consist of cash, cash equivalents, U.S. government securities, securities of other RICs, and other acceptable securities; and no more than 25% of the value of New Mountain Finance's assets can be invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by it and that are engaged in the same or similar or related trades or businesses or of certain "qualified publicly traded partnerships". Failure to meet these requirements may result in the Operating Company having to dispose of certain investments quickly in order to prevent the loss of New Mountain Finance's RIC status. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses. Although there is no authority directly applicable to New Mountain Finance and thus

the matter is not free from doubt, it is expected that New Mountain Finance will be treated as if it directly invested in its pro rata share of the Operating Company's assets for purposes of satisfying the asset diversification requirement. However, there can be no assurance that the IRS will not successfully assert that New Mountain Finance does not meet the asset diversification requirement because it is unable to look to the Operating Company's assets for purpose of that requirement. In that case, New Mountain Finance would fail to qualify as a RIC and thus become subject to corporate-level federal income tax (and any applicable state and local taxes).

If New Mountain Finance fails to qualify for or maintain its RIC status for any reason, and New Mountain Finance does not qualify for certain relief provisions under the Code, New Mountain Finance would be subject to corporate-level federal income tax (and any applicable state and local taxes). In this event, the resulting taxes could substantially reduce New Mountain Finance's net assets, the amount of income available for distribution and the amount of its distributions, which would have a material adverse effect on its financial performance. For additional discussion regarding the tax implications of a RIC, see "Material Federal Income Tax Considerations — Taxation of New Mountain Finance as a RIC" and "Material Federal Income Tax Considerations — Failure of New Mountain Finance to Qualify as a RIC".

You may have current tax liabilities on distributions you reinvest in common stock of New Mountain Finance.

Under the dividend reinvestment plan, if you own shares of common stock of New Mountain Finance registered in your own name, you will have all cash distributions automatically reinvested in additional shares of common stock of New Mountain Finance unless you opt out of the dividend reinvestment plan by delivering notice by phone, internet or in writing to the plan administrator at least three days prior to the payment date of the next dividend or distribution. If you have not "opted out" of the dividend reinvestment plan, you will be deemed to have received, and for federal income tax purposes will be taxed on, the amount reinvested in common stock of New Mountain Finance to the extent the amount reinvested was not a tax-free return of capital. As a result, you may have to use funds from other sources to pay your federal income tax liability on the value of the common stock received. See "Dividend Reinvestment Plan".

New Mountain Finance may not be able to pay you distributions on its common stock, its distributions to you may not grow over time and a portion of its distributions to you may be a return of capital for federal income tax purposes.

New Mountain Finance intends to pay quarterly distributions to its stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow New Mountain Finance to make a specified level of cash distributions or year-to-year increases in cash distributions. If the Operating Company is unable to satisfy the asset coverage test applicable to it as a business development company, or if it violates certain covenants under the Credit Facility, the Operating Company's ability to pay distributions to its members could be limited, thereby limiting New Mountain Finance Corporation's ability to pay distributions to its stockholders. All distributions will be paid at the discretion of the Operating Company's board of directors and will depend on its earnings, financial condition, maintenance of New Mountain Finance's RIC status, compliance with applicable business development company regulations, compliance with covenants under the Credit Facility, and such other factors as the Operating Company's board of directors may deem relevant from time to time. The distributions New Mountain Finance pays to its stockholders in a year may exceed its taxable income for that year and, accordingly, a portion of such distributions may constitute a return of capital for federal income tax purposes.

In addition, because New Mountain Finance will be a holding company, New Mountain Finance will only be able to pay distributions on its common stock from distributions received from the Operating Company. The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a RIC. However, there can be no assurances that the Operating Company will make distributions to its members in the future. Accordingly, New Mountain Finance cannot assure you that it will pay distributions to you in the future.

New Mountain Finance may have difficulty paying its required distributions if the Operating Company recognizes taxable income before or without receiving cash representing such income.

For federal income tax purposes, New Mountain Finance will include in its taxable income its allocable share of certain amounts that the Operating Company has not yet received in cash, such as original issue discount or accruals on a contingent payment debt instrument, which may occur if the Operating Company receives warrants in connection with the origination of a loan or possibly in other circumstances or contracted PIK interest, which generally represents contractual interest added to the loan balance and due at the end of the loan term. New Mountain Finance's allocable share of such original issue discount and PIK interest will be included in New Mountain Finance's taxable income before the Operating Company receives any corresponding cash payments. New Mountain Finance also may be required to include in its taxable income its allocable share of certain other amounts that the Operating Company will not receive in cash.

Because in certain cases the Operating Company may recognize taxable income before or without receiving cash representing such income, the Operating Company may have difficulty making distributions to the Operating Company's members that will be sufficient to enable New Mountain Finance to meet the annual distribution requirement necessary for New Mountain Finance to qualify as a RIC. Accordingly, the Operating Company may need to sell some of its assets at times and/or at prices that it would not consider advantageous, New Mountain Finance or the Operating Company may need to raise additional equity or debt capital, or the Operating Company may need to forego new investment opportunities or otherwise take actions that are disadvantageous to its business (or be unable to take actions that are advantageous to its business) to enable the Operating Company to make distributions to its members that will be sufficient to enable New Mountain Finance to meet the annual distribution requirement. If New Mountain Finance or the Operating Company is unable to obtain cash from other sources to enable New Mountain Finance to meet the annual distribution requirement, New Mountain Finance may fail to qualify for the federal income tax benefits allowable to RICs and, thus, become subject to a corporate-level federal income tax (and any applicable state and local taxes). For additional discussion regarding the tax implications of a RIC, see "Material Federal Income Tax Considerations — Taxation of New Mountain Finance as a RIC" and "Material Federal Income Tax Considerations — Failure of New Mountain Finance to Qualify as a RIC".

Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

Changes in the laws or regulations or the interpretations of the laws and regulations that govern business development companies, RICs or non-depository commercial lenders could significantly affect our operations and our cost of doing business. New Mountain Finance, the Operating Company and our portfolio companies are subject to federal, state and local laws and regulations. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, any of which could materially adversely affect our business, including with respect to the types of investments we are permitted to make, and your interest as a stockholder potentially with

retroactive effect. In addition, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities. These changes could result in material changes to the strategies and plans set forth in this prospectus and may result in our investment focus shifting from the areas of expertise of the Investment Adviser to other types of investments in which the Investment Adviser may have less expertise or little or no experience. Any such changes, if they occur, could have a material adverse effect on our business, results of operations and financial condition and, consequently, the value of your investment in us.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank, became law. The scope of Dodd-Frank impacts many aspects of the financial services industry, and it requires the development and adoption of many implementing regulations over the next several months and years. The effects of Dodd-Frank on the financial services industry will depend upon the timing and substance of regulations adopted by the various regulatory authorities to implement Dodd-Frank.

New Mountain Finance will incur significant costs as a result of being a publicly traded company.

As a publicly traded company, New Mountain Finance will incur legal, accounting and other expenses, which will be paid by the Operating Company, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including requirements under the Sarbanes-Oxley Act of 2002, or the "Sarbanes-Oxley Act", and other rules implemented by the SEC. We intend to seek exemptive relief from the SEC granting an exemption for the Operating Company from the reporting requirements under Section 13(a) of the Exchange Act. Until such exemptive relief is obtained, the Operating Company will also incur costs associated with its separate periodic reporting requirements under the Exchange Act. There can be no assurances that this exemptive relief will be obtained. You will bear the Operating Company's expenses, as well as New Mountain Finance's expenses, indirectly through New Mountain Finance's investment in the Operating Company.

Efforts to comply with Section 404 of the Sarbanes-Oxley Act will involve significant expenditures, and non-compliance with Section 404 of the Sarbanes-Oxley Act may adversely affect New Mountain Finance and the market price of New Mountain Finance's common stock.

Upon completion of this offering, New Mountain Finance and the Operating Company will be subject to the Sarbanes-Oxley Act, and the related rules and regulations promulgated by the SEC. Under current SEC rules, beginning with New Mountain Finance's fiscal year ending December 31, 2012, New Mountain Finance's and the Operating Company's management will be required to report on their internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, and rules and regulations of the SEC thereunder. New Mountain Finance and the Operating Company will be required to review on an annual basis their respective internal control over financial reporting, and on a quarterly and annual basis to evaluate and disclose changes in our respective internal control over financial reporting. As a result, New Mountain Finance and the Operating Company expect to incur significant additional expenses in the near term, which may negatively impact the Operating Company's financial performance and the Operating Company's ability to make distributions to its members and, consequently, New Mountain Finance's ability to make distributions to its stockholders. This process also will result in a diversion of management's time and attention. We cannot be certain as to the timing of completion of any evaluation, testing and remediation actions or the impact of the same on our operations and neither New Mountain Finance nor the Operating Company may be able to ensure that the process is effective or that New Mountain Finance's or the Operating Company's internal control over financial reporting is or

will be effective in a timely manner. In the event that New Mountain Finance and the Operating Company are unable to maintain or achieve compliance with Section 404 of the Sarbanes-Oxley Act and related rules, the Operating Company and, consequently, the market price of New Mountain Finance's common stock may be adversely affected.

Our business is highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of New Mountain Finance's common stock and its ability to pay dividends.

Our business is highly dependent on the communications and information systems of the Investment Adviser and its affiliates. Any failure or interruption of such systems could cause delays or other problems in our activities. This, in turn, could have a material adverse effect on our operating results and, consequently, negatively affect the market price of New Mountain Finance's common stock and its ability to pay dividends to its stockholders. In addition, because many of our portfolio companies operate and rely on network infrastructure and enterprise applications and internal technology systems for development, marketing, operational, support and other business activities, a disruption or failure of any or all of these systems in the event of a major telecommunications failure, cyber-attack, fire, earthquake, severe weather conditions or other catastrophic event could cause system interruptions, delays in product development and loss of critical data and could otherwise disrupt their business operations.

Risks Relating to Our Investments

Our investments in portfolio companies may be risky, and we could lose all or part of our investment.

Investing in middle-market businesses involves a number of significant risks. Among other things, these companies:

- may have limited financial resources and may be unable to meet their obligations under their debt instruments that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investment, as well as a corresponding decrease in the value of any equity components of our investments;
- may have shorter operating histories, narrower product lines, smaller market shares and/or more significant customer concentrations than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence;
- may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and
- generally have less publicly available information about their businesses, operations and financial condition.

In addition, in the course of providing significant managerial assistance to certain of our portfolio companies, certain of the Operating Company's officers and directors may serve as directors on the boards of such companies. To the extent that litigation arises out of our investments in these companies, the Operating Company's officers and directors may be named as defendants in such litigation, which could result in an expenditure of funds (through the Operating Company's indemnification of such officers and directors) and the diversion of management time and resources.

Our investment strategy, which is focused primarily on privately held companies, presents certain challenges, including the lack of available information about these companies.

The Operating Company invests primarily in privately held companies. There is generally little public information about these companies, and, as a result, the Operating Company must rely on the ability of the Investment Adviser to obtain adequate information to evaluate the potential returns from, and risks related to, investing in these companies. If the Operating Company is unable to uncover all material information about these companies, it may not make a fully informed investment decision, and it may lose money on our investments. Also, privately held companies frequently have less diverse product lines and smaller market presence than larger competitors. They are, thus, generally more vulnerable to economic downturns and may experience substantial variations in operating results. These factors could adversely affect our investment returns.

If the Operating Company makes unsecured investments, those investments might not generate sufficient cash flow to service their debt obligations to the Operating Company.

The Operating Company may make unsecured investments. Unsecured investments may be subordinated to other obligations of the obligor. Unsecured investments often reflect a greater possibility that adverse changes in the financial condition of the obligor or general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest. If the Operating Company makes an unsecured investment in a portfolio company, that portfolio company may be highly leveraged, and its relatively high debt-to-equity ratio may increase the risk that its operations might not generate sufficient cash to service its debt obligations.

If the Operating Company invests in the securities and obligations of distressed and bankrupt issuers, it might not receive interest or other payments.

From time to time, the Operating Company may invest in other types of investments which are not our primary focus, including investments in the securities and obligations of distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Such investments generally are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer of those obligations might not make any interest or other payments.

The lack of liquidity in our investments may adversely affect our business.

The Operating Company invests, and will continue to invest, in companies whose securities are not publicly traded and whose securities will be subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of these investments may make it difficult for the Operating Company to sell these investments when desired. In addition, if the Operating Company is required or otherwise chooses to liquidate all or a portion of our portfolio quickly, it may realize significantly less than the value at which it had previously recorded these investments. Our investments are usually subject to contractual or legal restrictions on resale

or are otherwise illiquid because there is usually no established trading market for such investments. Because most of our investments are illiquid, the Operating Company may be unable to dispose of them in which case New Mountain Finance could fail to qualify as a RIC and/or business development company, or the Operating Company may be unable to do so at a favorable price, and, as a result, the Operating Company and New Mountain Finance may suffer losses.

Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing the Operating Company's net asset value through increased net unrealized depreciation.

As a business development company, the Operating Company is required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by its board of directors. Because New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company, New Mountain Finance's net asset value will be based on the Operating Company's valuation of our investments and its percentage interest in the Operating Company. As part of the valuation process, the Operating Company may take into account the following types of factors, if relevant, in determining the fair value of our investments:

- a comparison of the portfolio company's securities to publicly traded securities;
- the enterprise value of a portfolio company;
- the nature and realizable value of any collateral;
- the portfolio company's ability to make payments and its earnings and discounted cash flow;
- the markets in which the portfolio company does business; and
- changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future and other relevant factors.

When an external event such as a purchase transaction, public offering or subsequent sale occurs, the Operating Company will use the pricing indicated by the external event to corroborate its valuation. The Operating Company will record decreases in the market values or fair values of our investments as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized depreciation in our portfolio. The effect of all of these factors on our portfolio may reduce the Operating Company's net asset value, and, indirectly, New Mountain Finance's net asset value based on its percentage interest in the Operating Company, by increasing net unrealized depreciation in our portfolio. Depending on market conditions, the Operating Company could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on its business, financial condition, results of operations and cash flows.

If the Operating Company is unable to make follow-on investments in our portfolio companies, the value of our investment portfolio could be adversely affected.

Following an initial investment in a portfolio company, the Operating Company may make additional investments in that portfolio company as "follow-on" investments, in order to (i) increase or maintain in whole or in part its equity ownership percentage, (ii) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing or (iii) attempt to preserve or enhance the value of our investment. The Operating Company may elect not to make follow-on investments or may otherwise lack sufficient funds to make these investments. The Operating Company will have the discretion to make follow-on investments, subject to the availability of capital resources. If the Operating Company fails to make follow-on investments, the

continued viability of a portfolio company and our investment may, in some circumstances, be jeopardized and we could miss an opportunity for the Operating Company to increase its participation in a successful operation. Even if the Operating Company has sufficient capital to make a desired follow-on investment, it may elect not to make a follow-on investment because it may not want to increase its concentration of risk, either because it prefers other opportunities or because it is subject to business development company requirements that would prevent such follow-on investments or such follow-on investments would adversely impact New Mountain Finance's ability to maintain its RIC status.

Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.

The Operating Company invests in Target Securities at all levels of the capital structure. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which the Operating Company invests. By their terms, these debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which the Operating Company is entitled to receive payments with respect to the debt instruments in which it invests. In addition, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to the Operating Company's investment in that portfolio company would typically be entitled to receive payment in full before it receives any distribution. After repaying the senior creditors, the portfolio company may not have any remaining assets to use for repaying its obligation to the Operating Company. In the case of debt ranking equally with debt instruments in which the Operating Company invests, it would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company.

The disposition of our investments may result in contingent liabilities.

Most of our investments will involve private securities. In connection with the disposition of an investment in private securities, the Operating Company may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. The Operating Company may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to certain potential liabilities. These arrangements may result in contingent liabilities that ultimately yield funding obligations that must be satisfied through the Operating Company's return of certain distributions previously made to it.

There may be circumstances where our debt investments could be subordinated to claims of other creditors or the Operating Company could be subject to lender liability claims.

Even though the Operating Company may have structured certain of our investments as senior loans, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, including the extent to which the Operating Company actually provided managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt investment and subordinate all or a portion of the Operating Company's claim to that of other creditors. The Operating Company may also be subject to lender liability claims for actions taken by it with respect to a borrower's business or instances where it exercises control over the borrower. It is possible that the Operating Company could become subject to a lender's liability claim, including as a result of actions taken in rendering significant managerial assistance.

Second priority liens on collateral securing loans that the Operating Company makes to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and the Operating Company.

Certain loans to portfolio companies will be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company's obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the company under the agreements governing the loans. The holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before the Operating Company. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then the Operating Company, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the company's remaining assets, if any.

The rights the Operating Company may have with respect to the collateral securing the loans it makes to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements entered into with the holders of first priority senior debt. Under an intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral, the ability to control the conduct of such proceedings, the approval of amendments to collateral documents; releases of liens on the collateral and waivers of past defaults under collateral documents. The Operating Company may not have the ability to control or direct these actions, even if its rights are adversely affected.

We generally will not control our portfolio companies.

We do not, and do not expect to, control most of our portfolio companies, even though the Operating Company may have board representation or board observation rights, and our debt agreements may contain certain restrictive covenants that limit the business and operations of our portfolio companies. As a result, we are subject to the risk that a portfolio company may make business decisions with which we disagree and the management of such company, in which the Operating Company invests as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not serve our interests as debt investors. Due to the lack of liquidity of the investments that the Operating Company typically holds in our portfolio companies, it may not be able to dispose of our investments in the event that we disagree with the actions of a portfolio company as readily as we would otherwise like to or at favorable prices which could decrease the value of our investments.

Economic recessions or downturns could impair our portfolio companies and harm our operating results.

Many of our portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay our debt investments during these periods. Therefore, the Operating Company's non-performing assets are likely to increase, and the value of our portfolio is likely to

decrease during these periods. Adverse economic conditions also may decrease the value of collateral securing some of our debt investments and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase the Operating Company's funding costs, limit New Mountain Finance's and the Operating Company's access to the capital markets or result in a decision by lenders not to extend credit to the Operating Company. These events could prevent the Operating Company from increasing investments and harm our operating results.

Defaults by our portfolio companies may harm our operating results.

A portfolio company's failure to satisfy financial or operating covenants imposed by the Operating Company or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize a portfolio company's ability to meet its obligations under the debt or equity securities that the Operating Company holds.

The Operating Company may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company. In addition, lenders in certain cases can be subject to lender liability claims for actions taken by them when they become too involved in the borrower's business or exercise control over a borrower. It is possible that the Operating Company could become subject to a lender's liability claim, including as a result of actions taken if it renders significant managerial assistance to the borrower. Furthermore, if one of our portfolio companies were to file for bankruptcy protection, even though the Operating Company may have structured our investment as senior secured debt, depending on the facts and circumstances, including the extent to which the Operating Company provided managerial assistance to that portfolio company, a bankruptcy court might re-characterize our debt holding and subordinate all or a portion of the Operating Company's claim to claims of other creditors.

Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity.

We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, subject to maintenance of New Mountain Finance's RIC status, we will generally reinvest these proceeds in temporary investments, pending their future investment in new portfolio companies. These temporary investments will typically have substantially lower yields than the debt being prepaid and we could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio company may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elect to prepay amounts owed to us. Additionally, prepayments could negatively impact our return on equity, which could result in a decline in the market price of our common stock.

We may not realize gains from our equity investments.

When the Operating Company invests in Target Securities, it may acquire warrants or other equity securities of portfolio companies as well. The Operating Company may also invest in equity securities directly. To the extent the Operating Company holds equity investments, it will attempt to dispose of them and realize gains upon its disposition of them. However, the equity interests the Operating Company receives may not appreciate in value and, in fact, may decline in value. As a result, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests.

The performance of our portfolio companies may differ from our historical performance as our investment strategy will include primary originations in addition to secondary market purchases.

Historically, our investment strategy consisted primarily of secondary market purchases in debt securities. We are currently in the process of adjusting our investment strategy to also include primary originations. While loans we originate and loans we purchase in the secondary market face many of the same risks associated with the financing of leveraged companies, we may be exposed to different risks depending on specific business considerations for secondary market purchases or origination of loans. As a result, this strategy may result in different returns from these investments than the types of returns we have historically experienced from secondary market purchases of debt securities.

We may be subject to additional risks if we invest in foreign securities and/or engage in hedging transactions.

The 1940 Act generally requires that 70% of our investments be in issuers each of whom is organized under the laws of, and has its principal place of business in, any state of the United States, the District of Columbia, Puerto Rico, the Virgin Islands or any other possession of the United States. Our investment strategy does not presently contemplate significant investments in securities of non-U.S. companies. However, we may desire to make such investments in the future, to the extent that such transactions and investments are permitted under the 1940 Act. We expect that these investments would focus on the same types of investments that we make in U.S. middle-market companies and accordingly would be complementary to our overall strategy and enhance the diversity of our holdings. Investing in foreign companies could expose us to additional risks not typically associated with investing in U.S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Investments denominated in foreign currencies would be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Operating Company may employ hedging techniques to minimize these risks, but we can offer no assurance that it will, in fact, hedge currency risk, or that if it does, such strategies will be effective.

Engaging in hedging transactions would also, indirectly, entail additional risks to New Mountain Finance stockholders. Although it is not currently anticipated that the Operating Company would engage in hedging transactions as a principal investment strategy, and the Predecessor Entities do not currently engage in such transactions, if the Operating Company determined to engage in hedging transactions it generally would seek to hedge against fluctuations of the relative values of our portfolio positions from changes in market interest rates or currency exchange rates. Hedging against a decline in the values of our portfolio positions would not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of the positions declined. However, such hedging could establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. These hedging transactions could also limit the opportunity for gain if the values of the underlying portfolio positions increased. Moreover, it might not be possible to hedge against an exchange rate or interest rate fluctuation that was so generally anticipated that the Operating Company would not be able to enter into a hedging transaction at an acceptable price. If the Operating Company chooses

to engage in hedging transactions, there can be no assurances that the Operating Company will achieve the intended benefits of such transactions and, depending on the degree of exposure such transactions could create, such transactions may expose the Operating Company and, indirectly, New Mountain Finance to risk of loss.

While the Operating Company may enter into these types of transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates could result in poorer overall investment performance than if it had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged could vary. Moreover, for a variety of reasons, the Operating Company might not seek to establish a perfect correlation between the hedging instruments and the portfolio holdings being hedged. Any imperfect correlation could prevent the Operating Company from achieving the intended hedge and expose it and New Mountain Finance to risk of loss. In addition, it might not be possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities would likely fluctuate as a result of factors not related to currency fluctuations.

Risks Relating to Our Corporate Structure

New Mountain Finance will be a holding company with no direct operations of its own, and will depend on distributions from the Operating Company to meet its ongoing obligations.

New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its direct ownership of common membership units of the Operating Company. As a result, all investment decisions relating to our portfolio will be made by the Investment Adviser under the supervision of the Operating Company's board of directors, which may be different from New Mountain Finance's board of directors. Although the LLC Agreement provides that in accordance with the Investment Company Act and to the extent required thereby, New Mountain Finance will "pass through" its vote on all matters subject to a member vote, including with respect to the election of the Operating Company's directors, New Mountain Finance will not, and you, indirectly, as stockholders of New Mountain Finance will not, have any control over the Operating Company's day-to-day operations and investment decisions.

New Mountain Finance also will not have any independent ability to generate revenue, and its only source of cash flow from operations will be distributions from the Operating Company. Consequently, New Mountain Finance will rely on the Operating Company to cover the expenses of its day-to-day business, including expenses incident to New Mountain Finance's status as a public company. Pursuant to the Administration Agreement, the Operating Company will reimburse the Administrator for New Mountain Finance's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to New Mountain Finance under the Administration Agreement. However, if the Operating Company cannot or does not make the payments required pursuant to the Administration Agreement, New Mountain Finance may be unable to cover these expenses.

In addition, because New Mountain Finance is a holding company, its ability to pay distributions to its stockholders will depend on the prior distribution from the Operating Company of cash in an amount sufficient to pay quarterly distributions and to obtain and maintain its status as a RIC. The distribution of cash flows by the Operating Company to New Mountain Finance will be subject to statutory restrictions under the Delaware Limited Liability Company Act, the 1940 Act and contractual restrictions under the Credit Facility, the SLF Credit Facility or any other debt financing facility that may limit the Operating Company's or SLF's ability to make distributions. In addition, any distributions and payments of fees or costs will be based upon the Operating Company's

financial performance. Any distributions of cash will be made on a pro rata basis to all of the Operating Company's members, including New Mountain Finance and Guardian AIV, indirectly, through AIV Holdings, in accordance with each holders' respective percentage interest.

New Mountain or its affiliates may have interests that differ from your interests as stockholders.

Following the completion of this offering and the concurrent private placement and based on the mid-point of the range set forth on the cover of this prospectus, Guardian AIV will indirectly own, through AIV Holdings, approximately 63.6% of the common membership units of the Operating Company (assuming no exercise of the underwriters' option to purchase additional shares). New Mountain's interests, the interests of the partners in Guardian AIV, the interests of those persons affiliated with New Mountain participating in the concurrent private placement and, to the extent exemptive relief is granted, the interests of the Investment Adviser may differ from, or conflict with, your interests as stockholders. For example, conflicts arising under the Registration Rights Agreement will be resolved as set forth therein. Under the Registration Rights Agreement, AIV Holdings, and, if applicable, the Investment Adviser, and our Chairman and a related entity will have priority over New Mountain Finance or any other New Mountain Finance stockholder when selling any shares of New Mountain Finance common stock pursuant to their exercise of registration rights under that agreement. See "Formation Transactions and Related Agreements — Structure-Related Agreements — Registration Rights Agreement."

Circumstances may arise in the future when the interests of the Operating Company's members conflict with the interests of New Mountain Finance's stockholders. Following the completion of this offering, the Operating Company's board of directors and the board of directors of New Mountain Finance will be comprised of the same members. However, the Operating Company's board of directors will owe fiduciary duties to its members that could conflict with the fiduciary duties New Mountain Finance's board of directors owes to its stockholders.

In addition, if Guardian AIV owns any common membership units, directly or indirectly, the Operating Company will generally be prohibited from making tax elections or taking positions on tax issues that it knows or would reasonably be expected to know would harm AIV Holdings, Guardian AIV or its partners than if such election or position had not been made or taken. See "Formation Transactions and Related Agreements — Structure-Related Agreements — The Operating Company Agreement".

Any future exchange by AIV Holdings of common membership units of the Operating Company for shares of New Mountain Finance's common stock would significantly dilute your voting power with respect to the election of New Mountain Finance directors or other matters that require the approval of New Mountain Finance stockholders only. In addition, the interests of the partners of Guardian AIV following such exchange by AIV Holdings may be adverse to your interests as stockholders and could limit your ability to influence the outcome of key transactions, including any change of control.

Pursuant to the terms of the LLC Agreement, AIV Holdings will have the right to exchange its common membership units for shares of New Mountain Finance's common stock on a one-for-one basis. Following the completion of transactions described in this prospectus, Guardian AIV will indirectly own through AIV Holdings approximately 63.6% of the common membership units of the Operating Company, or approximately 61.2% of the common membership units of the Operating Company if the underwriters exercise their option to purchase additional shares in full. If AIV Holdings exercised its exchange rights with respect to a significant number of common membership units, the voting power of New Mountain Finance's stockholders would be significantly diluted. As a result, Guardian AIV, indirectly through AIV Holdings, would retain significant influence

over decisions that require the approval of New Mountain Finance's stockholders exclusively (such as the election of its directors and the approval of mergers or other significant corporate transactions) regardless of whether or not New Mountain Finance's other stockholders believe that such decisions are in New Mountain Finance's own best interests. If, following this offering, AIV Holdings exercised its exchange rights in full, Guardian AIV, indirectly through AIV Holdings would own approximately 63.6% of all outstanding shares of New Mountain Finance's common stock, or approximately 61.2%, if the underwriters exercised their option to purchase additional shares in full. However, these entities would not exercise voting control over their shares of common stock because the right to vote those shares would be passed through to the partners of these entities. These investors, along with those persons affiliated with New Mountain participating in the concurrent private placement, may have interests that differ from your interests, and they may vote in a way with which you disagree and that may be adverse to your interests as stockholders. The concentration of ownership of New Mountain Finance's common stock following the exercise of AIV Holdings' exchange right may also have the effect of delaying, preventing or deterring a change of control of New Mountain Finance, could deprive New Mountain Finance's stockholders of an opportunity to receive a premium for their common stock as part of a sale of New Mountain Finance and may adversely affect the market price of New Mountain Finance's common stock.

Risks Relating to this Offering and Our Common Stock

The Operating Company may be unable to invest a significant portion of the proceeds of this offering on acceptable terms in the timeframe contemplated by this prospectus.

New Mountain Finance will use the gross proceeds from this offering and the concurrent private placement to purchase, on a one-for-one basis, common membership units of the Operating Company. The Operating Company will, in turn, use these proceeds, after paying underwriting discounts and commissions and offering expenses, to make new investments in portfolio companies in accordance with our investment objective and strategies described in this prospectus. Delays in the Operating Company investing the net proceeds of this offering may cause our performance to be worse than that of other fully invested business development companies or other lenders or investors pursuing comparable investment strategies. We cannot assure you that the Operating Company will be able to identify any investments that meet our investment objective or that any investment that the Operating Company identifies will produce a positive return. The Operating Company may be unable to invest the net proceeds of this offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

We anticipate that, depending on market conditions, it may take up to six to twelve months to invest substantially all of the net proceeds of this offering in investments meeting our investment objective. During this period, the Operating Company will invest the net proceeds of this offering primarily in cash, cash equivalents, U.S. government securities, repurchase agreements and other high-quality investments maturing in one year or less from the time of investment, which may produce returns that are significantly lower than the returns which it expects to achieve when our portfolio is fully invested in securities meeting our investment objective. In addition, the Operating Company may also use the net proceeds to temporarily repay indebtedness (which amounts will be subject to reborrowing). As a result, any distributions that New Mountain Finance receives from the Operating Company and pays to its stockholders during this period may be substantially lower than the distributions that it may be able to pay when our portfolio is fully invested in securities meeting our investment objective. In addition, until such time as the net proceeds of this offering are invested in securities meeting our investment objective, the market price for New Mountain Finance's common stock may decline. Thus, the initial return on your investment may be lower than when, if ever, our portfolio is fully invested in securities meeting our investment objective.

The market price of New Mountain Finance's common stock may fluctuate significantly.

The market price and liquidity of the market for shares of New Mountain Finance's common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include:

- price and volume fluctuations in the overall stock market or in the market for business development companies from time to time;
- investor demand for shares of New Mountain Finance's common stock;
- significant volatility in the market price and trading volume of securities of registered closed-end management investment companies, business development companies or other financial services companies, which is not necessarily related to the operating performance of these companies;
- the inability to raise equity capital;
- The Operating Company's inability to borrow money or deploy or invest our capital;
- fluctuations in interest rates;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- operating performance of companies comparable to us;
- changes in regulatory policies or tax guidelines with respect to RICs or business development companies;
- New Mountain Finance's or the Operating Company's loss of status as or ability to operate as a business development company;
- New Mountain Finance's failure to qualify as a RIC, loss of RIC status or ability operate as a RIC;
- actual or anticipated changes in the Operating Company's earnings or fluctuations in its operating results;
- changes in the value of our portfolio of investments;
- general economic conditions, trends and other external factors;
- departures of key personnel; or
- loss of a major source of funding.

Investing in New Mountain Finance's common stock may involve an above average degree of risk.

The investments the Operating Company may make may result in a higher amount of risk, volatility or loss of principal than alternative investment options. These investments in portfolio companies may be highly speculative and aggressive, and therefore, an investment in New Mountain Finance's common stock may not be suitable for investors with lower risk tolerance.

Prior to this offering, there has been no public market for New Mountain Finance's common stock, and we cannot assure you that the market price of New Mountain Finance's common stock will not decline following the offering.

Prior to this offering, there has been no public market for New Mountain Finance's common stock, and we cannot assure you that a trading market will develop or be sustained for New Mountain Finance's common stock after this offering. The initial public offering price of New Mountain Finance's common stock will be determined through negotiations among New Mountain Finance and the underwriters and may not bear any relationship to the market price at which it will trade after this offering. Shares of closed-end management investment companies offered in an initial public offering often trade at a discount to the initial offering price due to sales loads, underwriting discounts and related offering expenses. In addition, shares of closed-end management investment companies have in the past frequently traded at discounts to their net asset values and New Mountain Finance's stock may also be discounted in the market. This characteristic of closed-end management investment companies is separate and distinct from the risk that New Mountain Finance's net asset value per share may decline. We cannot predict whether shares of New Mountain Finance's common stock will trade above, at or below its net asset value per share. The risk of loss associated with this characteristic of closed-end management investment companies may be greater for investors expecting to sell shares of New Mountain Finance's common stock purchased in this offering soon after the offering. In addition, if New Mountain Finance's common stock trades below its net asset value per share, New Mountain Finance will generally not be able to sell additional shares of its common stock to the public at its market price without first obtaining the approval of its stockholders (including its unaffiliated stockholders) and its independent directors for such issuance. Initially, the market for New Mountain Finance's common stock will be extremely limited. Following this offering, sales of substantial amounts of New Mountain Finance's common stock or the availability of such shares for sale, could adversely affect the prevailing market prices for its common stock.

We have not identified specific investments in which the Operating Company will invest the proceeds of this offering.

As of the date of this prospectus, there are no definitive agreements for any specific investments in which the Operating Company will invest the net proceeds of this offering after such proceeds are contributed by New Mountain Finance in exchange for common membership units of the Operating Company. Although we are and will continue to evaluate and seek new investment opportunities, you will not be able to evaluate prior to your purchase of common stock in this offering the manner in which the Operating Company will invest the net proceeds of this offering, or the economic merits of any new investment.

Investors in this offering may incur immediate dilution.

Upon completion of the formation transactions, New Mountain Finance's net asset value as of December 31, 2010 would have been approximately $241.9 million, or $14.60 per share, assuming the exchange of all of the then outstanding common membership units of the Operating Company into a corresponding number of shares of New Mountain Finance's common stock. After giving effect to (i) the completion of the formation transactions, (ii) the concurrent private placement, (iii) the sale of 8,285,172 shares of New Mountain Finance's common stock in this offering at an assumed initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by the Operating Company, (iv) the temporary repayment of indebtedness under the Credit Facility and (v) the assumption that all of AIV Holdings' common membership units of the Operating Company were immediately exchanged for the corresponding

number of shares of New Mountain Finance's common stock, New Mountain Finance's as adjusted net asset value as of December 31, 2010 would have been approximately $378.2 million, or $14.05 per share, on a fully diluted basis. This represents an immediate decrease in New Mountain Finance's as adjusted net asset value of $0.55 per share to AIV Holdings and New Mountain Guardian Partners, L.P., and an immediate dilution of $0.45 per share on a fully diluted basis to the investors who purchase New Mountain Finance's common stock in this offering assuming an initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus). The foregoing assumes no exercise of the underwriters' option to purchase additional shares. If the underwriters' option to purchase additional shares is exercised in full, the as adjusted net asset value per share of New Mountain Finance's common stock after this offering would be $14.03 and the dilution per share to investors in this offering would be $0.47, in each case on a fully diluted basis. In addition, using the adjusted unaudited net asset value as of March 31, 2011 of $14.60 per share (which includes contributions received from our investors in the Predecessor Entities after March 31, 2011), an offering price per share of $14.50 (the mid-point of the range set forth on the cover of this prospectus) and the same assumptions discussed above, New Mountain Finance's net asset value on an adjusted and fully diluted basis is $14.14 per share, resulting in dilution to investors in this offering of $0.36 per share. See "Dilution".

Sales of substantial amounts of New Mountain Finance's common stock in the public market may have an adverse effect on the market price of its common stock.

Sales of substantial amounts of New Mountain Finance's common stock, including by itself directly, AIV Holdings, if it exercises its right to exchange its common membership units of the Operating Company for shares of New Mountain Finance's common stock on a one-for-one basis, or New Mountain Guardian Partners, L.P. or its transferees or the perception that such sales could occur, could materially adversely affect the prevailing market prices for New Mountain Finance's common stock. AIV Holdings currently intends to sell its interest in our business as soon as practicable from time to time, depending on market conditions and any applicable contractual or legal restrictions. In connection with this offering, AIV Holdings entered into a lock-up agreement that prevents the exchange of its common membership units of the Operating Company, for up to 180 days after the date of this prospectus, subject to carve outs and an extension in certain circumstances as set forth in "Underwriting". Following the expiration of the lock-up, or earlier upon the consent of Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated, AIV Holdings, and the Investment Adviser, if applicable with respect to any common membership units received as payment of the incentive fee, will have the right, subject to certain conditions, to require New Mountain Finance to register under the federal securities laws the sale of any shares of New Mountain Finance's common stock held by them or that may be issued to and held by them upon exercise by AIV Holdings of the exchange right.

In addition, New Mountain Finance has granted AIV Holdings, our Chairman, an entity related to our Chairman and the Investment Adviser, if applicable with respect to any common membership units received as payment of the incentive fee, and their permitted transferees certain "piggyback" registration rights which will allow them to include their shares in any future registrations of New Mountain Finance equity securities, whether or not that registration relates to a primary offering by us or a secondary offering by or on behalf of any of New Mountain Finance's stockholders or AIV Holdings. In particular, these parties will have priority over New Mountain Finance and any other of its stockholders in any registration that is an underwritten offering. See "Formation Transactions and Related Agreements — Structure Related Agreements — Registration Rights Agreement". Any such filing or the perception that such a filing may occur, could cause the prevailing market price of New Mountain Finance's common stock to decline and may impact New Mountain Finance's ability to sell equity to finance our operations. If substantial amounts of New Mountain Finance's common

stock were sold, this could impair its ability to raise additional capital through the sale of securities should New Mountain Finance desire to do so.

Certain provisions of New Mountain Finance's certificate of incorporation and bylaws, the Delaware General Corporation Law as well as other aspects of our structure, including Guardian AIV's substantial interest in the Operating Company, could deter takeover attempts and have an adverse impact on the price of New Mountain Finance's common stock.

New Mountain Finance's certificate of incorporation and bylaws as well as the Delaware General Corporation Law contain provisions that may have the effect of discouraging a third party from making an acquisition proposal for us. Among other things, New Mountain Finance's certificate of incorporation and bylaws:

- provide for a classified board of directors, which may delay the ability of New Mountain Finance's stockholders to change the membership of a majority of its board of directors;
- authorize the issuance of "blank check" preferred stock that could be issued by New Mountain Finance's board of directors to thwart a takeover attempt;
- do not provide for cumulative voting;
- provide that vacancies on the board of directors, including newly created directorships, may be filled only by a majority vote of directors then in office;
- provide that New Mountain Finance's directors may be removed only for cause;
- require supermajority voting to effect certain amendments to New Mountain Finance's certificate of incorporation and bylaws; and
- require stockholders to provide advance notice of new business proposals and director nominations under specific procedures.

These anti-takeover provisions may inhibit a change in control in circumstances that could give the holders of New Mountain Finance's common stock the opportunity to realize a premium over the market price for its common stock. The Credit Facility also includes covenants that, among other things, restrict its ability to dispose of assets, incur additional indebtedness, make restricted payments, create liens on assets, make investments, make acquisitions and engage in mergers or consolidations. The credit facility also includes change of control provisions that accelerate the indebtedness under the facility in the event of certain change of control events. In addition, certain aspects of our structure, including Guardian AIV's substantial interest in the Operating Company may have the effect of discouraging a third party from making an acquisition proposal for New Mountain Finance.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by forward-looking words such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "potential", "should", "will", "would" or similar words. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. Our forward-looking statements include, but are not limited to, information in this prospectus regarding general domestic and global economic conditions, our structure, the Operating Company's future financing plans, New Mountain Finance's and the Operating Company's ability to operate as business development companies, the impact of our obtaining or not obtaining the various exemptive relief we are seeking from the SEC, and the expected performance of, and the yield on, our portfolio companies. In particular, there are forward-looking statements under "Prospectus Summary — The Company", "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". There may be events in the future, however, that we are not able to predict accurately or control. The factors listed under "Risk Factors", as well as any cautionary language in this prospectus, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you invest in New Mountain Finance's common stock, you should be aware that the occurrence of the events described in these risk factors and elsewhere in this prospectus could have a material adverse effect on our business, results of operation and financial position. Any forward-looking statement made by us in this prospectus speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The following factors are among those that may cause actual results to differ materially from our forward-looking statements:

- New Mountain Finance's and the Operating Company's future operating results;
- the impact of a protracted decline in the liquidity of credit markets;
- the general economy, including interest and inflation rates, and its impact on the industries in which the Operating Company invests;
- New Mountain Finance's and the Operating Company's business prospects and the prospects of our portfolio companies;
- the impact of the formation transactions;
- changes in New Mountain Finance's and the Operating Company's expenses that we will incur as a stand-alone public company as compared to expectations;
- the operating performance of companies comparable to us;
- the impact of the investments that we expect the Operating Company to make;
- the ability of our portfolio companies to achieve their objectives;
- the Operating Company's ability to make investments consistent with our investment objectives, including with respect to the size, nature and terms of our investments;

- the ability of the Investment Adviser to locate suitable investments for the Operating Company and to monitor and administer our investments;
- the ability of the Investment Adviser or its affiliates to attract and retain highly talented professionals;
- the Operating Company's expected financings and investments;
- New Mountain Finance's and the Operating Company's regulatory structure and tax status;
- New Mountain Finance's and the Operating Company's loss of status or ability to operate as business development companies;
- New Mountain Finance's failure to qualify as a RIC, loss of RIC status or ability to operate as a RIC;
- the adequacy of the Operating Company's cash resources and working capital and its anticipated use of proceeds;
- the timing of cash flows, if any, from the operations of our portfolio companies;
- the impact of interest rate volatility on our results, particularly to the extent the Operating Company uses leverage as part of our investment strategy;
- actual and potential conflicts of interest with the Investment Adviser and other affiliates of New Mountain;
- the impact of New Mountain Finance's ownership of a minority of the outstanding common membership units of the Operating Company, New Mountain Finance's only asset;
- the timing, form and amount of any dividend distributions to New Mountain Finance's stockholders and distributions from the Operating Company;
- New Mountain Finance's and the Operating Company's contractual arrangements and relationships with third parties;
- the impact of future changes in laws or regulations and conditions in our operating areas; and
- other factors, including those discussed in "Risk Factors".

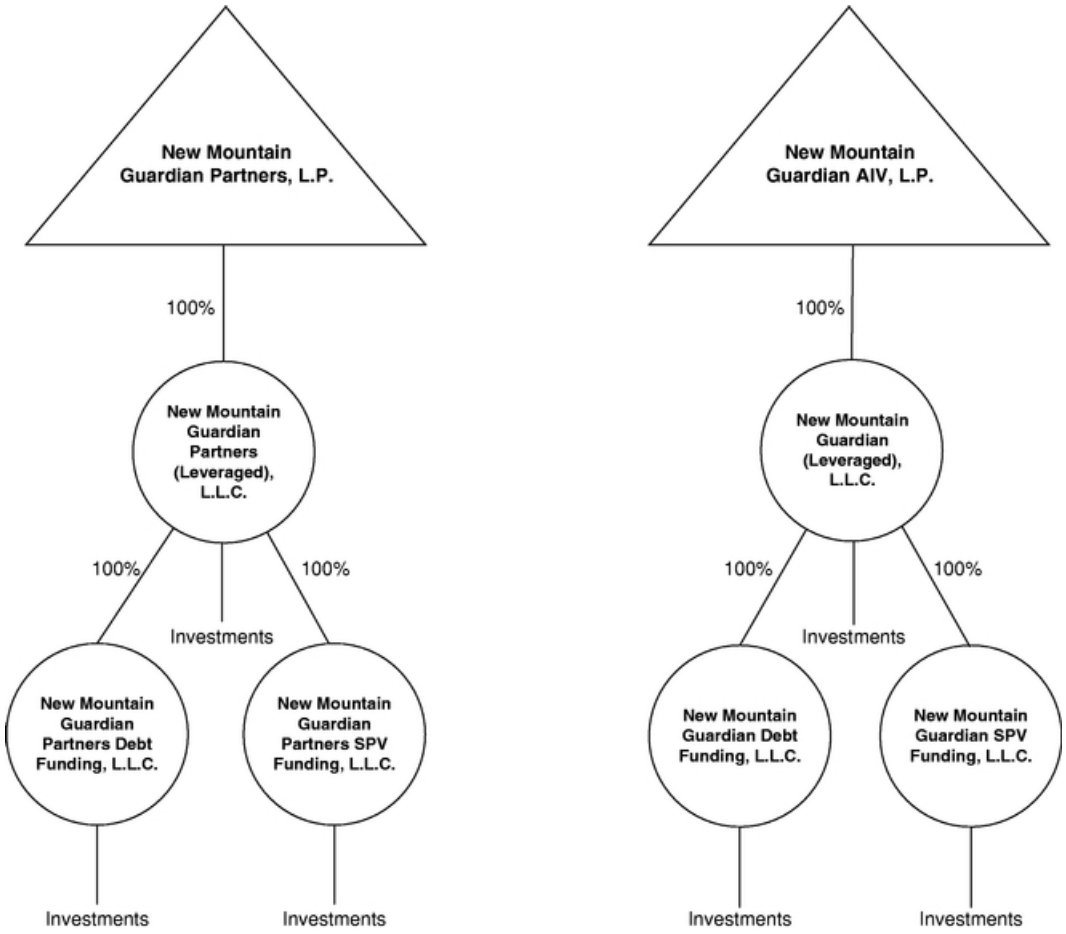
The forward-looking statements and projections contained in this prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act.

FORMATION TRANSACTIONS AND RELATED AGREEMENTS

Our History and Current Structure

New Mountain Finance was incorporated in Delaware on June 29, 2010. Prior to this offering, it did not engage in any activities, except in preparation for this offering, and it had no operations or assets. New Mountain currently owns the only issued and outstanding share of common stock of New Mountain Finance. The Operating Company was formed as a subsidiary of Guardian AIV by New Mountain in October 2008. Guardian AIV was formed through an allocation of approximately $300 million of the $5.1 billion of commitments supporting Fund III, a private equity fund managed by New Mountain, and in February 2009 New Mountain formed a co-investment vehicle, Guardian Partners, comprising $20.4 million of commitments.

The simplified diagram below depicts our current organizational structure prior to the formation transactions contemplated by this offering:



Holding Company Structure

General

Following the completion of this offering and the transactions described in this prospectus, New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company and it will have no material long-term liabilities. New Mountain Finance's only source of cash flow from operations will be distributions from the Operating Company. The Operating Company will be New Mountain Finance's operating entity and will be an externally managed business development company which, prior to the completion of this offering, will own all of the operations of the Predecessor Entities existing immediately prior to the formation transactions, including all of the assets and liabilities related to such operations.

Formation Transactions

The following transactions have occurred or will occur in advance of the completion of this offering to effect our holding company structure:

- Guardian AIV will cause its indirect, wholly-owned subsidiary, New Mountain Guardian Debt Funding, L.L.C., to merge with and into the Operating Company, Guardian AIV's direct, wholly-owned subsidiary, with the Operating Company as the surviving company.
- New Mountain Guardian Partners, L.P. will cause its indirect, wholly-owned subsidiary, New Mountain Guardian Partners Debt Funding, L.L.C., to merge with and into New Mountain Guardian Partners, L.P.'s direct, wholly-owned subsidiary, New Mountain Guardian Partners (Leveraged), L.L.C., with New Mountain Guardian Partners (Leveraged), L.L.C. as the surviving company.
- New Mountain Guardian Partners, L.P. will cause New Mountain Guardian Partners (Leveraged), L.L.C. to merge with and into the Operating Company, with the Operating Company as the surviving company. New Mountain Guardian Partners, L.P. will receive a membership interest in the Operating Company as consideration for the transfer of assets in the merger.
- Guardian AIV and New Mountain Guardian Partners, L.P. will enter into the LLC Agreement, pursuant to which their respective membership interests in the Operating Company will be reclassified into common membership units.
- The Operating Company will cause its then direct, wholly-owned subsidiary, New Mountain Guardian Partners SPV Funding, L.L.C., to merge with and into New Mountain Guardian SPV Funding, L.L.C., the Operating Company's direct, wholly-owned subsidiary, with New Mountain Guardian SPV Funding, L.L.C. as the surviving company. Upon the merger of these two entities, New Mountain Guardian SPV Funding, L.L.C. will be renamed New Mountain Finance SPV Funding, L.L.C.
- Guardian AIV will contribute to AIV Holdings, a newly formed Delaware corporation, its common membership units of the Operating Company in exchange for common stock of AIV Holdings.
- AIV Holdings will enter into a joinder agreement with respect to the LLC Agreement pursuant to which AIV Holdings will be admitted as a member of the Operating Company.
- New Mountain Guardian Partners, L.P. will contribute to New Mountain Finance its common membership units of the Operating Company in exchange for shares of New Mountain Finance's common stock.

- New Mountain Finance will enter into a joinder agreement with respect to the LLC Agreement, pursuant to which New Mountain Finance will be admitted as a member of the Operating Company and will agree to acquire from the Operating Company a number of common membership units of the Operating Company equal to the number of shares of common stock sold by New Mountain Finance in this offering and the concurrent private placement at a purchase price per unit equal to the per share offering price at which New Mountain Finance's common stock is sold pursuant to this offering.

- New Mountain Finance, the Operating Company and AIV Holdings will elect to be treated as business development companies under the 1940 Act.

- New Mountain Finance and the Operating Company will enter into the Administration Agreement and the Operating Company will enter into the Investment Management Agreement effective on the date New Mountain Finance, the Operating Company and AIV Holdings elect to be treated as business development companies under the 1940 Act.

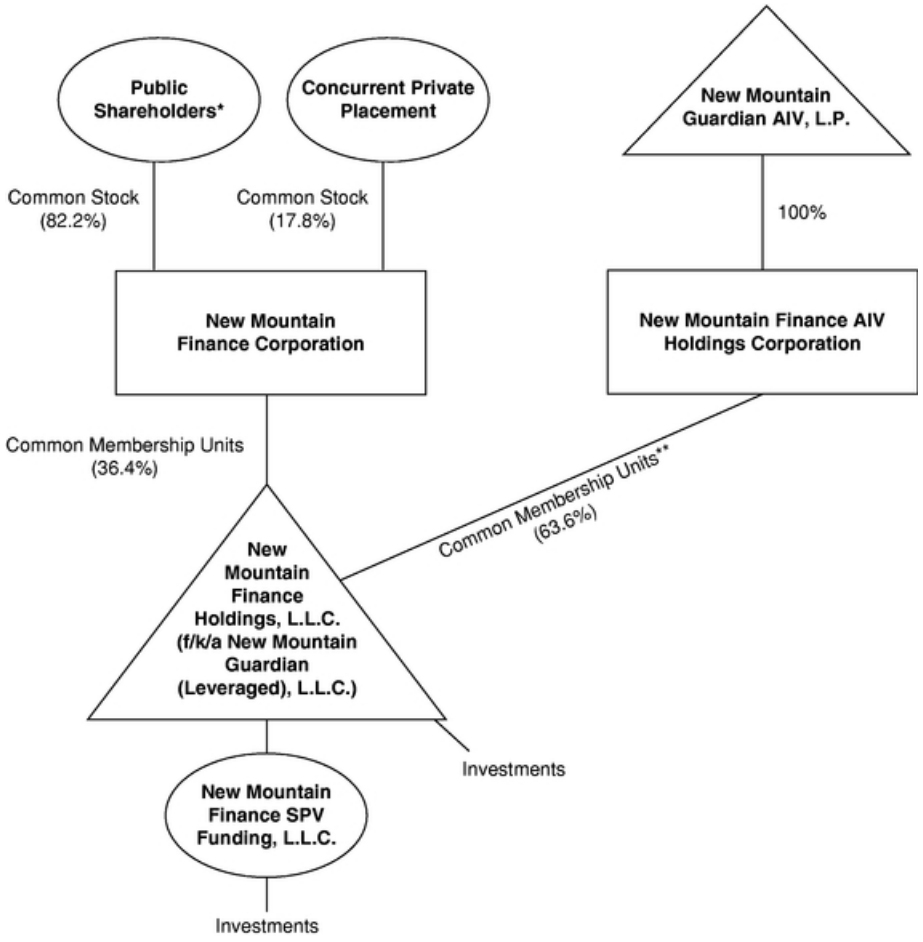
The Operating Company has calculated its net asset value, the "cutoff NAV", as of March 31, 2011, the "cutoff date". The cutoff NAV was determined and approved by the Operating Company's board of directors and was calculated consistent with its policies for determining net asset value. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Recent Developments — Net Asset Value".

Consequences of this Offering and the Formation Transactions

Upon completion of this offering, New Mountain Finance will cancel the initial share of its common stock held by New Mountain for no consideration. After this offering and the concurrent private placement, New Mountain Finance will own approximately 36.4%, and Guardian AIV will indirectly own, through AIV Holdings, approximately 63.6% of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares. If the underwriters exercise their option to purchase additional shares of New Mountain Finance's common stock, pursuant to the LLC Agreement, immediately thereafter New Mountain Finance will acquire from the Operating Company an equivalent number of additional common membership units in exchange for the gross proceeds New Mountain Finance receives upon exercise of this option.

After completion of this offering, New Mountain Finance's only business and sole asset will be its ownership of common membership units of the Operating Company, and it will have no material long-term liabilities. New Mountain Finance's only source of cash flow from operations will be distributions from the Operating Company.

The simplified diagram below depicts our summarized organizational structure immediately after the transactions described in this prospectus (assuming no exercise of the underwriters' option to purchase additional shares):



* Following the offering, stockholders of New Mountain Finance common stock will include partners of New Mountain Guardian Partners, L.P.

** These common membership units are exchangeable into shares of New Mountain Finance common stock on a one-for-one basis.

Structure-Related Agreements

In connection with the formation transactions referred to above and this offering, New Mountain Finance and the Operating Company are entering into various agreements governing the relationship among New Mountain Finance, Guardian AIV, New Mountain Guardian Partners, L.P., AIV Holdings and the Operating Company.

These agreements are summarized below, which summaries are qualified in their entirety by reference to the full text of the agreements which are filed as exhibits to the registration statement of which this prospectus is a part.

For a description of the agreements governing the relationship between the Operating Company and the Investment Adviser and New Mountain Finance's and the Operating Company's relationship with the Administrator, see "Investment Management Agreement" and "Administration Agreement".

The Operating Company Agreement

Prior to the completion of this offering, Guardian AIV and New Mountain Guardian Partners, L.P. will enter into the LLC Agreement. Limited liability company interests in the Operating Company may, to the extent permissible under the 1940 Act, be represented by one or more classes of units.

In connection with the contribution by Guardian AIV of its common membership units to AIV Holdings, AIV Holdings will enter into a joinder agreement with respect to the LLC Agreement, pursuant to which AIV Holdings will be admitted as a member of the Operating Company. In addition, in connection with the contribution by New Mountain Guardian Partners, L.P. of its common membership units to New Mountain Finance, New Mountain Finance will enter into a joinder agreement with respect to the LLC Agreement, pursuant to which New Mountain Finance will be admitted as a member of the Operating Company.

New Mountain Finance and the Operating Company Businesses. New Mountain Finance will have no direct operations, and its only business and sole asset will be its ownership of common membership units of the Operating Company. Under the LLC Agreement, New Mountain Finance will not be permitted to conduct any business or ventures other than in connection with:

- the acquisition, ownership or disposition of its common membership units of the Operating Company; and
- its operation as a public reporting company.

Under the LLC Agreement, the Operating Company may conduct any business that may be lawfully conducted by a limited liability company under the Delaware Limited Liability Company Act, except that the LLC Agreement requires that the Operating Company conduct its operations in such a manner that will (1) permit New Mountain Finance to satisfy the requirements for qualification as a business development company, (2) permit New Mountain Finance to satisfy the requirements for qualification as a RIC for federal income tax purposes and (3) ensure that the Operating Company will not be classified as a "publicly traded partnership" for purposes of Section 7704 of the Code except to the extent determined by the board of directors of the Operating Company.

Board of Directors. The Operating Company will be managed by a board of directors. Subject to the Investment Company Act, director nominees will be elected if the votes cast by the Operating Company's members for such nominee's election exceed the votes cast against such nominee's election, unless such nominee has also been nominated for election to the board of directors of New Mountain Finance, in which case such nominee will be elected by a plurality of the Operating Company's members. The Operating Company's initial board of directors will be comprised of the same individuals as the board of directors of New Mountain Finance. Under the LLC Agreement, the Operating Company will be required to endeavor to nominate the same slate of director nominees for election by its members as New Mountain Finance. However, there can be no assurance that the Operating Company's board composition and New Mountain Finance's board composition will remain the same following the completion of this offering. The Operating Company's board of directors will be divided into three classes, with the term of one class expiring at each annual meeting of the members of the Operating Company. At each annual meeting, one class of directors is elected to a three-year term. This provision could delay for up to two years the replacement of a majority of the board of directors.

Management. Subject to the overall supervision of the Operating Company's board of directors, the Investment Adviser will manage the Operating Company's day-to-day operations and provide the Operating Company with investment management services pursuant to the Investment Management Agreement. The Operating Company will pay a management fee and incentive fee to the Investment Adviser for its services.

Tax Matters. New Mountain Finance will be the Operating Company's tax matters member and, as such, will have the authority to handle any tax audits of the Operating Company. Under the LLC Agreement, New Mountain Finance will generally be prohibited from taking any action in its capacity as tax matters member, which it knows (or would reasonably be expected to know) would (or would reasonably be expected to) have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners. AIV Holdings will also have a consent right over New Mountain Finance's actions as the Operating Company's tax matters member if such action would have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners.

The Operating Company intends to make an election under Section 754 of the Code and to cause such election to remain in effect for every year of the Operating Company during which the Operating Company is treated as a partnership for federal income tax purposes. The Board will have the authority to cause the Operating Company to make all other tax elections, and all decisions and positions taken with respect to the Operating Company's taxable income or tax loss (or items thereof) under the Code or other applicable tax law will be made in such manner as may be reasonably determined by the Operating Company's board of directors. Under the LLC Agreement, the Operating Company's board of directors will generally be prohibited from making tax elections or making any decision or taking any position with respect to allocations of taxable income that the Operating Company's board of directors knows (or would reasonably be expected to know) would (or would reasonably be expected to) adversely affect New Mountain Finance's status as a RIC or have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners and a greater negative impact proportionally on the amount of taxable inclusions incurred by AIV Holdings with respect to income allocated to it by the Operating Company than if such election, decision or position had not been made or taken.

Exchange Right. The LLC Agreement will provide for an exchange right for any member other than New Mountain Finance, whereby, upon appropriate notice, any such member will have the right to exchange all or any portion of its common membership units for shares of New Mountain Finance's common stock on a one-for-one basis. This right can be conditionally exercised by any such member, or its transferees, meaning that prior to the receipt of shares of New Mountain Finance's common stock upon exchange, a member can withdraw its request to have its common membership units exchanged for shares of New Mountain Finance's common stock. In addition, if New Mountain Finance and the Operating Company receive exemptive relief to permit the Operating Company to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company, any such common membership units received by the Investment Adviser will also be exchangeable for shares of New Mountain Finance's common stock to the same extent as set forth in the LLC Agreement.

The LLC Agreement will also provide that, in connection with the occurrence of an event that would result in the dissolution of the Operating Company where prior to or concurrent with the occurrence of such event, New Mountain Finance has adopted a plan relating to the liquidation or dissolution of New Mountain Finance, New Mountain Finance will have the right to acquire all (but not less than all) of the outstanding common membership units of any other member in exchange for shares of New Mountain Finance's common stock on a one-for-one basis.

Distributions and Allocations of Profits and Losses. The LLC Agreement will provide that distributions of cash from the Operating Company will be determined by the Operating Company's

board of directors and will be made pro rata among the members holding common membership units in accordance with their respective percentage interests in the Operating Company. The Operating Company intends to make distributions to the Operating Company's members that will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a RIC.

Similarly, the LLC Agreement provides that, for tax purposes, subject to compliance with the provisions of Section 704(b) and 704(c) of the Code and the corresponding Treasury regulations, the Operating Company will allocate items of income, gain, loss, deduction and credit to its members, including New Mountain Finance, pro rata in accordance with their respective percentage interests in the Operating Company. New Mountain Finance's allocable share of the Operating Company's losses cannot be passed through to its stockholders but will be taken into account in determining New Mountain Finance's taxable income that is required to be distributed to its stockholders by reason of New Mountain Finance's status as a RIC.

If the Operating Company liquidates, debts and other obligations must be satisfied before the members may receive any distributions. Any distributions to members then will be made to members in accordance with their respective positive capital account balances.

Capital Contributions. Upon the completion of this offering, New Mountain Finance will contribute to the Operating Company the gross proceeds of this offering and the concurrent private placement as a capital contribution in exchange for 10,344,827 common membership units, or 11,587,603 common membership units if the underwriters exercise their option to purchase additional shares in full. Following this capital contribution and the formation transactions described above, New Mountain Finance will own approximately 36.4%, and Guardian AIV will indirectly own through AIV Holdings approximately 63.6%, of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares.

Under the LLC Agreement, New Mountain Finance is also required to contribute the gross proceeds of any subsequent offering of its common stock by New Mountain Finance as additional capital to the Operating Company in exchange for, on a one-to-one basis, additional common membership units of the Operating Company. See "— One-to-One Ratio" below. If New Mountain Finance contributes additional capital to the Operating Company, it will receive additional common membership units of the Operating Company and its percentage interest in the Operating Company will be increased on a proportionate basis based upon the amount of such additional capital contributions. Conversely, the percentage interests of other members will be decreased on a proportionate basis in the event of additional capital contributions by New Mountain Finance. In addition, if New Mountain Finance contributes additional capital to the Operating Company, the Operating Company can revalue its property to its fair market value (as determined by its board of directors) and the capital accounts of the members will be adjusted to reflect the manner in which the unrealized gain or loss inherent in such property (that has not been reflected in the capital accounts previously) would be allocated among the members under the terms of the LLC Agreement if there were a taxable disposition of such property for its fair market value (as determined by its board of directors) on the date of revaluation. Under the LLC Agreement, New Mountain Finance is also required to contribute to the Operating Company any reinvested distributions received by it pursuant to its dividend reinvestment plan. In addition, if New Mountain Finance uses newly issued shares to implement the plan, it will receive, on a one-for-one basis, additional common membership units of the Operating Company in exchange for such reinvested distributions.

One-to-One Ratio. The LLC Agreement contains various provisions requiring that New Mountain Finance and the Operating Company take certain actions in order to maintain, at all times, a one-to-one ratio between the number of common membership units held by New Mountain

Finance and the number of shares of New Mountain Finance's common stock outstanding. This one-to-one ratio must also be maintained in the event that New Mountain Finance issues additional shares of its common stock. Accordingly, every time New Mountain Finance issues shares of its common stock, other than in connection with the exercise of the exchange right described above by AIV Holdings, the Investment Adviser, if applicable with respect to any common membership units received as payment of the incentive fee, or any other entity or individual that may become a member (other than New Mountain Finance), the Operating Company will be required to issue additional common membership units to New Mountain Finance. In addition, in order for New Mountain Finance to pay a dividend or other distribution to holders of its common stock, it must be accompanied by a prior distribution by the Operating Company to all of its members.

If New Mountain Finance redeems, repurchases, acquires, exchanges, cancels or terminates any shares of its common stock, this action must be accompanied by an immediately prior identical (including with respect to the appropriate consideration paid for such action) redemption, repurchase, acquisition, exchange, cancellation or termination of the common membership units of the Operating Company held by New Mountain Finance. If New Mountain Finance splits its common stock, this action must be accompanied by an immediately prior identical split of common membership units of the Operating Company. In addition, in general, upon any consolidation or merger or combination to which New Mountain Finance is a party or any sale or disposition of all or substantially all of its assets to a third party, New Mountain Finance is required to take all necessary action so that the common membership units held by AIV Holdings, the Investment Adviser, if applicable with respect to any common membership units received as payment of the incentive fee, and any other entity or individual that may become a member (other than New Mountain Finance) will be exchangeable on a per-common membership unit basis at any time or from time to time following such event into the kind and amount of shares of stock and/or other securities or property (including cash) receivable upon such event by holders of New Mountain Finance's common stock.

The LLC Agreement also provides that, in connection with any reclassification or recapitalization or any other distribution or dilutive or concentrative event by New Mountain Finance, if AIV Holdings, the Investment Adviser, if applicable with respect to any common membership units received as payment of the incentive fee or any other entity or individual that may become a member (other than New Mountain Finance) exercises the exchange right following such event, such member will generally be treated as if they were entitled to receive the number of shares of New Mountain Finance's common stock or other property (including cash) that it would have been entitled to receive had it exercised its exchange right immediately prior to the record date of such event. In addition, the LLC Agreement provides that New Mountain Finance and the Operating Company must take all necessary action in order to maintain the one-to-one ratio if in the future New Mountain Finance determines to issue options or other types of equity compensation to individuals that provide services to the Operating Company.

Voting. Subject to the Investment Company Act, directors will be elected as set forth above under "— Board of Directors." All other matters submitted to the vote of the members will be decided by a majority vote unless a different vote is required as a matter of law (including the Investment Company Act), in which case such provision will govern and control the voting. The LLC Agreement will also provide that, to the extent required by the Investment Company Act, each of New Mountain Finance and AIV Holdings and any other member that may be an investment company relying on the Investment Company Act will seek instructions from its stockholders with regard to matters subject to a member vote, and each such member will vote on all such matters in accordance with such instructions. Accordingly, to the extent required by the Investment Company Act, New Mountain Finance and AIV Holdings will not have any separate voting power other than to pass through the votes of the respective stockholders of New Mountain Finance and AIV Holdings in accordance with their respective indirect percentage ownership in the Operating Company.

Expenses. All of the Operating Company's expenses and all of New Mountain Finance's expenses, including any amounts owed pursuant to the Administration Agreement, will be borne by the Operating Company.

Dissolution. The LLC Agreement will provide that the Operating Company may be dissolved with the approval of the board of directors. In addition to a voluntary dissolution, the Operating Company will be dissolved upon the entry of a decree of judicial dissolution in accordance with Delaware law or upon the termination of the legal existence of the last remaining member of the Operating Company. Upon a dissolution event, the proceeds of liquidation will be distributed in the following order:

- first, to pay the expenses of winding up, liquidating and dissolving the Operating Company and all of its creditors, including members who are creditors; and
- second, to the members pro rata in accordance with their respective positive capital account balances.

Upon a dissolution event, if (i) New Mountain Finance is not the sole member at such time and (ii) prior to or concurrent with such event, New Mountain Finance has adopted a plan relating to the liquidation or dissolution of New Mountain Finance, then New Mountain Finance has the right to acquire from any other Operating Company member all (but not less than all) of the common membership units held by such other member in exchange for shares of New Mountain Finance common stock on a one-for-one basis.

Information. The LLC Agreement provides that the Operating Company's members will be entitled to certain information regarding the Operating Company. This information includes quarterly and annual information regarding the Operating Company, information required for certain tax matters and any other information required under Delaware law or as reasonably requested by a member.

Confidentiality. Each member will agree to maintain the confidentiality of any information received by the member or its affiliates and representatives in connection with the transactions contemplated by the LLC Agreement which is determined to be confidential for a period of three years following the earlier of the date of the Operating Company's dissolution or the date such member ceases to be a member, with customary exceptions, including to the extent disclosure is required by law or judicial process.

Restrictions on Transfer. The LLC Agreement provides that, subject to certain limited exceptions (including transfers to affiliates), a member may not transfer any of its common membership units of the Operating Company to any person without the consent of the Operating Company's board of directors, which consent may be given or withheld in their sole and absolute discretion. No member shall have the right to substitute a transferee as a member in its place. A transferee of common membership units of the Operating Company may be admitted as a substituted member only with the consent of the Operating Company's board of directors, which consent may be given or withheld in their sole and absolute discretion.

Amendment. Unless otherwise required by law, the LLC Agreement may be amended only by the written consent of the members owning a majority of the Operating Company's common membership units then outstanding; provided, however, that no amendment may be made without the consent of a member if the amendment would adversely affect the rights of the member other than on a pro rata basis with other members of common membership units.

Limitation of Liability; Indemnification. The LLC Agreement provides that none of the Operating Company's members or directors or their respective subsidiaries or affiliates may be

liable to the Operating Company or any member for any act or omission by such individual or entity in connection with the conduct of affairs of the Operating Company or otherwise incurred in connection with the Operating Company or the LLC Agreement or the matters contemplated therein, in each case unless such act or omission was the result of gross negligence or willful misconduct or constitutes a breach of, or a failure to comply with the LLC Agreement. The LLC Agreement further provides for indemnification of the Operating Company's directors and officers from and against liabilities arising out of or relating to any alleged action taken by any director or officer of the Operating Company, subject to the Investment Company Act.

Term. The Operating Company shall continue until terminated as provided in the LLC Agreement or by operation of law.

Fiduciary Duties. Circumstances may arise in the future when the interests of the Operating Company's members conflict with the interests of New Mountain Finance's stockholders. Following the completion of this offering, the Operating Company's board of directors and the board of directors of New Mountain Finance will be comprised of the same members. However, the Operating Company's board of directors will owe fiduciary duties to the Operating Company's members that could conflict with the fiduciary duties New Mountain Finance's board of directors owes to New Mountain Finance's stockholders.

Registration Rights Agreement

In connection with this offering, New Mountain Finance will enter into a registration rights agreement, or the Registration Rights Agreement, with AIV Holdings, Steven B. Klinsky, an entity related to Steven B. Klinsky and the Investment Adviser. Subject to several exceptions, AIV Holdings and the Investment Adviser will have the right to require New Mountain Finance to register for public resale under the Securities Act all registerable securities that are held by any of them and that they request to be registered at any time after the expiration or waiver of the lock-up period following this offering. Registerable securities subject to the Registration Rights Agreement are shares of New Mountain Finance's common stock issued or issuable in exchange for common membership units and any other shares of New Mountain Finance's common stock held by AIV Holdings, the Investment Adviser and any of their transferees. The rights under the registration rights agreement can be conditionally exercised by AIV Holdings or the Investment Adviser, meaning that prior to the registration of the shares AIV Holdings or the Investment Adviser can withdraw their request to have the shares registered. AIV Holdings and the Investment Adviser may each assign their rights to any person that acquires registerable securities subject to the Registration Rights Agreement and who agrees to be bound by the terms of the Registration Rights Agreement. Steven B. Klinsky and a related entity will have the right to "piggyback", or include their own registrable securities in such a registration.

AIV Holdings and the Investment Adviser may require New Mountain Finance to use its reasonable best efforts to register under the Securities Act all or any portion of these registerable securities upon a "demand request". The demand registration rights are subject to certain limitations. New Mountain Finance is not obligated to:

- cause a registration statement with respect to a demand request to be declared effective within forty-five (45) days after the effective date of a previous demand registration, other than a shelf registration pursuant to Rule 415 under the Securities Act of 1933, or within 180 days after the effective date of the registration statement of which this prospectus is a part (unless the lock-up agreement entered into by AIV Holdings has been waived by the underwriters (see "Underwriting"));

- cause a registration statement with respect to a demand request to be declared effective unless the demand request is for a number of shares with a market value that is equal to at least $10 million; or

- cause to be declared effective more than five registration statements with respect to demand registration rights.

The Registration Rights Agreement will include limited blackout and suspension periods. In addition, AIV Holdings and the Investment Adviser may also require New Mountain Finance to file a shelf registration statement on Form N-2 for the resale of their registerable securities if New Mountain Finance is eligible to use Form N-2 at that time.

Holders of registerable securities will also have "piggyback" registration rights, which means that these holders may include their respective shares in any future registrations of New Mountain Finance's equity securities, whether or not that registration relates to a primary offering by New Mountain Finance or a secondary offering by or on behalf of any of New Mountain Finance's stockholders. AIV Holdings, the Investment Adviser and our Chairman (and a related entity) will have priority over New Mountain Finance in any registration that is an underwritten offering.

Conflicts arising under the Registration Rights Agreement will be resolved as set forth therein. Under the Registration Rights Agreement, AIV Holdings and, if applicable, the Investment Adviser, and our Chairman (and a related entity) will have priority over New Mountain Finance or any other New Mountain Finance stockholder when selling any shares of New Mountain Finance common stock pursuant to their exercise of registration rights under that agreement.

AIV Holdings, the Investment Adviser and our Chairman (and a related entity) will be responsible for the expenses of any demand registration (including underwriters' discounts or commissions) and their pro rata share of any piggyback registration. New Mountain Finance has agreed to indemnify AIV Holdings, the Investment Adviser and our Chairman (and a related entity) with respect to liabilities resulting from untrue statements or omissions in any registration statement filed pursuant to the Registration Rights Agreement, other than untrue statements or omissions resulting from information furnished to us by such parties. AIV Holdings, the Investment Adviser and our Chairman (and a related entity) have also agreed to indemnify New Mountain Finance with respect to liabilities resulting from untrue statements or omissions furnished by them to New Mountain Finance relating to them in any registration statement.

BUSINESS DEVELOPMENT COMPANY AND REGULATED INVESTMENT COMPANY ELECTIONS

In connection with this offering, New Mountain Finance and the Operating Company intend to elect to be treated as business development companies under the 1940 Act prior to the completion of this offering. In addition, New Mountain Finance intends to elect to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011. New Mountain Finance's and the Operating Company's election to be treated as business development companies and New Mountain Finance's election to be treated as a RIC will have a significant impact on our future operations. Some of the most important effects on the future operations of New Mountain Finance's and the Operating Company's elections to be treated as business development companies and New Mountain Finance's election to be treated as a RIC are outlined below. In connection with this offering and the intended elections to be treated as business development companies, New Mountain Finance and the Operating Company expect to file a request with the SEC for exemptive relief to allow them to take certain actions that would otherwise be prohibited by the 1940 Act, as applicable to business development companies.

The Operating Company will report our investments at market value or fair value with changes in value reported through its statement of operations.

In accordance with the requirements of Article 6 of Regulation S-X, the Operating Company will report all of our investments, including debt investments, at market value or, for investments that do not have a readily available market value, at their fair value as determined in good faith by the Operating Company's board of directors. Because New Mountain Finance will be a holding company with no direct operations of its own, fair value determinations with respect to our investments will be made by the Operating Company's board of directors. Changes in these values will be reported through the Operating Company's statement of operations under the caption entitled "total net unrealized appreciation (depreciation) from investments". In the event that New Mountain Finance's board of directors believes that the Operating Company's fair value determinations are inaccurate, New Mountain Finance will adjust the Operating Company's valuations when determining the value of its common membership units of the Operating Company in accordance with valuation procedures to be adopted by New Mountain Finance's board of directors prior to the completion of this offering. See "Determination of Net Asset Value".

New Mountain Finance generally will be required to pay federal income taxes only on the portion of its taxable income that it does not distribute to its stockholders (actually or constructively).

As a RIC, so long as New Mountain Finance meets certain minimum distribution, source-of-income and asset diversification requirements, it generally will be required to pay federal income taxes only on the portion of its taxable income and gains that it does not distribute (actually or constructively) and certain built-in gains, if any. Because New Mountain Finance will have no assets other than its ownership of common membership units of the Operating Company and no source of cash flow other than distributions from the Operating Company, New Mountain Finance will look to the Operating Company's assets and income, and will rely on distributions made by the Operating Company to New Mountain Finance, for purposes of satisfying these requirements. The Operating Company intends to conduct its operations and make distributions to its members in a manner that will enable New Mountain Finance to satisfy these requirements.

The Operating Company's ability to use leverage as a means of financing our portfolio of investments will be limited.

As a business development company, the Operating Company will be required to meet a coverage ratio of total assets, less liabilities and indebtedness not represented by senior securities, to total senior securities of at least 200%. The Operating Company will consolidate the assets and liabilities of SLF for purposes of its financial statements and calculating compliance with the 200% asset coverage ratio. For this purpose, senior securities include all borrowings by the Operating Company and SLF and any preferred membership units the Operating Company may issue in the future. In addition to any limitations imposed by the Operating Company's and SLF's existing or future credit facilities, the Operating Company's and SLF's ability to continue to utilize leverage as a means of financing our portfolio of investments may also be limited by this asset coverage test. Because New Mountain Finance will have no assets other than its ownership of common membership units of the Operating Company and will have no material long-term liabilities, New Mountain Finance will look to the Operating Company's assets for purposes of satisfying this test.

New Mountain Finance intends to distribute substantially all of its income to its stockholders.

As a RIC, New Mountain Finance intends to distribute to its stockholders substantially all of its annual taxable income, except that it may retain certain net capital gains for reinvestment in common membership units of the Operating Company. New Mountain Finance may make deemed distributions to its stockholders of some or all of its retained net capital gains. If this happens, you will be treated as if you had received an actual distribution of the capital gains and reinvested the net after-tax proceeds in New Mountain Finance. In general, you also would be eligible to claim a tax credit (or, in certain circumstances, obtain a tax refund) equal to your allocable share of the tax New Mountain Finance paid on the deemed distribution. See "Material Federal Income Tax Considerations". The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to obtain and maintain its status as a RIC.

USE OF PROCEEDS

We estimate that New Mountain Finance will receive proceeds from the sale of the 8,285,172 shares of its common stock in this offering of approximately $120,135,000, or approximately $138,155,250 if the underwriters exercise their option to purchase additional shares in full, in each case assuming an initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus). In connection with the concurrent private placement, New Mountain Finance will receive $29,865,000 in gross proceeds assuming an initial public offering price of $14.50 per share. In connection with this offering, New Mountain Finance will enter into a joinder agreement with respect to the LLC Agreement, pursuant to which New Mountain Finance will use all of the gross proceeds from this offering as well as the gross proceeds from the concurrent private placement to acquire from the Operating Company 10,344,827 common membership units of the Operating Company (the number of common membership units will equal the number of shares of New Mountain Finance's common stock sold in this offering and the concurrent private placement). The per unit purchase price New Mountain Finance will pay for the common membership units acquired pursuant to the LLC Agreement will be equal to the per share offering price at which New Mountain Finance's common stock is sold pursuant to this offering. Accordingly, New Mountain Finance will not retain any of the proceeds of this offering or the concurrent private placement. If the underwriters exercise their option to purchase 1,242,776 additional shares of New Mountain Finance's common stock, New Mountain Finance will use any proceeds from the exercise of this option to purchase additional common membership units of the Operating Company (the number of additional common membership units will equal the number of shares of New Mountain Finance's common stock sold pursuant to this option). See "Formation Transactions and Related Agreements — Holding Company Structure" and "Underwriting".

The Operating Company will, in turn, use a portion of these proceeds to pay the underwriting discounts and commissions and estimated expenses of this offering, and intends to use the remaining net proceeds for new investments in portfolio companies in accordance with our investment objective and strategies described in this prospectus, to temporarily repay indebtedness (which will be subject to reborrowing), to pay New Mountain Finance's and its operating expenses and distributions to its members and for general corporate purposes. Borrowings that may be repaid under the Predecessor Credit Facility currently bear interest at an annual rate of LIBOR plus 3.0%, payable in cash, on the outstanding principal amount. See "Management's Discussion and Analysis — Liquidity and Capital Resources — Credit Facilities". Based on current market conditions, we anticipate that it may take up to six to twelve months for the Operating Company to fully invest the net proceeds it receives in connection with this offering. However, if market conditions change, it may take longer than twelve months to fully invest the net proceeds from this offering. We cannot assure you that we will achieve our targeted investment pace.

Pending such use, the Operating Company will invest the net proceeds primarily in cash, cash equivalents, U.S. government securities and other high-quality investments that mature in one year or less from the date of investment. See "Regulation — Temporary Investments" for additional information about temporary investments the Operating Company may make while waiting to make longer-term investments in pursuit of our investment objective.

DISTRIBUTIONS

New Mountain Finance intends to pay quarterly distributions to its stockholders out of assets legally available for distribution, beginning with its first full quarter after the completion of this offering. New Mountain Finance's quarterly distributions, if any, will be determined by its board of directors. New Mountain Finance's first quarterly distribution, which will be payable for the second quarter of 2011, is expected to be between $0.20 and $0.25 per share. The amount of the dividend will be proportionately reduced to reflect the number of days remaining in the quarter after the completion of the offering. The actual amount of such distribution, if any, remains subject to approval by New Mountain Finance's board of directors, and there can be no assurance that any distribution paid will fall within such range. In addition, because New Mountain Finance will be a holding company, it will only be able to pay distributions on its common stock from distributions received from the Operating Company. The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a RIC. While it is intended that the distributions made by the Operating Company will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a RIC, there can be no assurances that the distributions from the Operating Company will be sufficient to pay distributions to New Mountain Finance's stockholders in the future. Any distributions must also comply with the restrictions and covenants contained in the Credit Agreement or the debt financing agreements we may have in the future.

New Mountain Finance intends to elect to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011. To obtain and maintain RIC status, New Mountain Finance must, among other things, distribute at least 90% of its net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. In order to avoid certain excise taxes imposed on RICs, New Mountain Finance currently intends to distribute during each calendar year an amount at least equal to the sum of (1) 98% of its net ordinary income for the calendar year, (2) 98.2% of its capital gains in excess of capital losses for the one-year period ending on October 31 of the calendar year and (3) any net ordinary income and net capital gains for preceding years that were not distributed during such years. New Mountain Finance may retain certain net capital gains (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) for reinvestment in common membership units of the Operating Company and treat such amounts as deemed distributions to its stockholders. If New Mountain Finance does this, you will be treated as if you had received an actual distribution of the capital gains New Mountain Finance retained and then you reinvested the net after-tax proceeds in New Mountain Finance's common stock. In general, you also will be eligible to claim a tax credit (or, in certain circumstances, obtain a tax refund) equal to your allocable share of the tax New Mountain Finance paid on the capital gains deemed distributed to you. The distributions New Mountain Finance pays to its stockholders in a year may exceed its taxable income for that year and, accordingly, a portion of such distributions may constitute a return of capital for federal income tax purposes. The specific tax characteristics of New Mountain Finance's distributions will be reported to stockholders after the end of the calendar year. Please refer to "Material Federal Income Tax Considerations" for further information regarding the tax treatment of New Mountain Finance's distributions and the tax consequences of New Mountain Finance's retention of net capital gains. We can offer no assurance that the Operating Company will achieve results that will permit the payment of any cash distributions to New Mountain Finance's stockholders and, if the Operating Company or SLF issues senior securities (other than any indebtedness issued in consideration of a privately arranged loan), the Operating Company will be prohibited from making distributions to its members, including New Mountain Finance, if doing so causes the Operating Company to fail to maintain the asset coverage ratios stipulated by the 1940 Act or if distributions to its members are limited by the terms of any of the Operating Company's

borrowings. See "Regulation", "Material Federal Income Tax Considerations" and "Senior Securities".

New Mountain Finance has adopted an "opt out" dividend reinvestment plan for its common stockholders. As a result, if New Mountain Finance makes a distribution, then your cash distributions will be automatically reinvested in additional shares of New Mountain Finance's common stock, unless you specifically "opt out" of the dividend reinvestment plan so as to receive cash distributions. Cash distributions reinvested in additional shares of New Mountain Finance's common stock will be automatically reinvested by New Mountain Finance in additional common membership units of the Operating Company, and, if New Mountain Finance uses newly issued shares to implement the dividend reinvestment plan, it will receive, on a one-for-one basis, additional common membership units of the Operating Company in exchange for such reinvested distributions. See "Formation Transactions and Related Agreements — Structure-Related Agreements — The Operating Company Agreement" and "Dividend Reinvestment Plan". In addition, AIV Holdings does not intend to reinvest any distributions received from the Operating Company in additional common membership units of the Operating Company.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2010:

- on an actual basis;
- on an as adjusted basis to give effect to:
  - the completion of the formation transactions and the concurrent private placement;
  - the sale of 8,285,172 shares of New Mountain Finance's common stock in this offering at an assumed initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus), after deducting estimated underwriting discounts and commissions and organizational and offering expenses payable by the Operating Company;
  - the temporary repayment of indebtedness under the Credit Facility; and
  - the assumption that all of AIV Holdings' common membership units of the Operating Company had been exchanged for the corresponding number of shares of New Mountain Finance's common stock. The number of AIV Holdings' common membership units was derived from our March 31, 2011 adjusted unaudited net asset value of $313.5 million, or $14.60 per share, which is based on the fair value of our portfolio investments, in accordance with the Operating Company's valuation policy, as well as other factors, including investment income earned on the portfolio. The adjusted net asset value includes $23.3 million of contributions received from investors in the Predecessor Entities after March 31, 2011.

You should read this table together with "Formation Transactions and Related Agreements" and "Use of Proceeds" and the combined financial statements and related notes thereto included elsewhere in this prospectus.

	As of December 31, 2010	
	Actual	As Adjusted (unaudited)
	(in thousands)	
Assets:		
Cash and cash equivalents	$ 10,744	$ 30,808
Investments at fair value	441,058	441,058
Other assets	8,422	4,894
Total assets	$ 460,224	$ 476,760
Liabilities:		
Credit facility payable	$ 116,633	$ —
Other liabilities	101,664	98,515
Total liabilities	$ 218,297	$ 98,515
Net assets	$ 241,927	$ 378,245
Stockholders' equity:		
Common stock, par value $0.01 per share; 100,000,000 shares authorized, 31,819,729 shares outstanding, on an as adjusted fully diluted basis		$ 318
Capital in excess of par value		$ 377,927
Total stockholders' equity		$ 378,245

DILUTION

If you invest in New Mountain Finance's common stock, your interest in New Mountain Finance will be diluted to the extent of the difference between the initial public offering price per share of New Mountain Finance's common stock and the as adjusted net asset value per share of New Mountain Finance's common stock immediately after the completion of this offering.

Upon completion of the formation transactions, New Mountain Finance's net asset value as of December 31, 2010 would have been approximately $241.9 million, or $14.60 per share, assuming the exchange of all of the then outstanding common membership units of the Operating Company into a corresponding number of shares of New Mountain Finance's common stock. After giving effect to (i) the completion of the formation transactions, (ii) the concurrent private placement, (iii) the sale of 8,285,172 shares of New Mountain Finance's common stock in this offering at an assumed initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus), after deducting underwriting discounts and commissions and estimated offering expenses payable by the Operating Company, (iv) the temporary repayment of indebtedness under the Credit Facility and (v) the assumption that all of AIV Holdings' common membership units of the Operating Company were immediately exchanged for the corresponding number of shares of New Mountain Finance's common stock, New Mountain Finance's as adjusted net asset value as of December 31, 2010 would have been approximately $378.2 million, or $14.05 per share. This represents an immediate decrease in New Mountain Finance's as adjusted net asset value of $0.55 per share to AIV Holdings and New Mountain Guardian Partners, L.P., and an immediate dilution of $0.45 per share, on a fully diluted basis, to the investors who purchase New Mountain Finance's common stock in this offering assuming an initial public offering price of $14.50 per share (the mid-point of the range set forth on the front cover of this prospectus). The following table shows this immediate New Mountain Finance share impact:

Assumed initial public offering price per share	$ 14.50
Net asset value per share, before this offering but after completion of the formation transactions(1)	$ 14.60
Decrease in net asset value per share, on an as adjusted basis, attributable to investors in this offering	$ 0.55
As adjusted net asset value per share after the completion of the formation transactions, this offering and the concurrent private placement(1)	$ 14.05
Dilution per share, on a fully diluted basis, to investors in this offering(2)	$ 0.45

Using the March 31, 2011 adjusted unaudited net asset value of $313.5 million and including $23.3 million of contributions received after March 31, 2011, the issuance of 21,474,902 units in the Operating Company to AIV Holdings and Guardian Partners, an offering price per share of $14.50 (the mid-point of the range set forth on the cover of this prospectus), and the same assumptions used above, New Mountain Finance's net asset value on an adjusted and fully diluted basis is $14.14 per share, resulting in dilution to investors in this offering of $0.36 per share.

(1) Assumes that based on the December 31, 2010 net asset value and upon completion of the formation transactions, AIV Holdings and Guardian Partners owned 16,570,360 shares of New Mountain Finance common stock, assuming AIV Holdings' common membership units in the Operating Company had been exchanged for the corresponding number of shares of New Mountain Finance's common stock, as of December 31, 2010.

(2) The dilution per share to investors in this offering as of December 31, 2010 may differ from the actual dilution per share in connection with this offering. Dilution per share to the investors in this offering as of the date of completion of this offering will reflect various adjustments subsequent to December 31, 2010 in respect of this offering and the formation transactions.

The foregoing assumes no exercise of the underwriters' option to purchase additional shares. If the underwriters' option to purchase additional shares is exercised in full, the net asset value per share of common stock after this offering would be $14.03 as of December 31, 2010 on a fully diluted basis and $14.11 as of March 31, 2011 on an adjusted and fully diluted basis, with the dilution per share to investors in this offering being $0.47 and $0.39, respectively.

The following table summarizes, as of March 31, 2011, the number of shares of common stock purchased from New Mountain Finance, the total consideration paid to New Mountain Finance and the average price per share paid by AIV Holdings and New Mountain Guardian Partners, L.P. and to be paid by investors in this offering and the concurrent private placement purchasing shares of common stock at the initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus), assuming that all of AIV Holdings' common membership units of the Operating Company were immediately exchanged for the corresponding number of shares of New Mountain Finance's common stock, before deducting the underwriting discounts and commissions and estimated offering expenses payable by the Operating Company.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
AIV Holdings and New Mountain Guardian Partners, L.P.	21,474,902	67.5%	313,533,572	67.7%	14.60
Investors in this offering	8,285,172	26.0%	120,135,000	25.9%	14.50
Concurrent Private Placement	2,059,655	6.5%	29,865,000	6.4%	14.50
Total	31,819,729	100.0%	463,533,572	100.0%	

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information in this section contains forward-looking statements that involve risks and uncertainties. Please see "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements. You should read the following discussion in conjunction with the financial statements and related notes and other financial information appearing elsewhere in this prospectus.

Overview

New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company, the operating company for our business. The Operating Company will be an externally managed business development company which, prior to the completion of this offering, will own all of the operations of the Predecessor Entities existing immediately prior to the formation transactions, including all of the assets and liabilities related to such operations. Following the completion of this offering, New Mountain Finance will own approximately 36.4%, and Guardian AIV will indirectly own, through AIV Holdings, approximately 63.6% of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares.

Our investment strategy, developed by the Investment Adviser, is to invest through the Operating Company primarily in the debt of what the Investment Adviser believes are defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) opportunities for niche market dominance. The Investment Adviser, through its relationship with New Mountain, already has access to proprietary research and operating insights into many of the companies and industries that meet this template.

The Operating Company will be externally managed by the Investment Adviser, a wholly-owned subsidiary of New Mountain, a private equity firm with a track record of investing in the middle market and with assets under management (which includes amounts committed, not all of which have been drawn down and invested to date) totaling more than $9.0 billion as of December 31, 2010. New Mountain focuses on investing in defensive growth companies across its private equity, public equity, and credit investment vehicles. The Operating Company was formed as a subsidiary of Guardian AIV by New Mountain in October 2008. Guardian AIV was formed through an allocation of approximately $300 million of the $5.1 billion of commitments supporting Fund III, a private equity fund managed by New Mountain, and in February 2009 New Mountain formed a co-investment vehicle, Guardian Partners, comprising $20.4 million of commitments. As of December 31, 2010, our portfolio had a fair value of approximately $441.1 million in 43 portfolio companies and had a weighted average Yield to Maturity of approximately 12.5%. This calculation excludes the impact of existing leverage, except for the non-recourse debt of SLF. SLF is treated as a fully levered asset of the Operating Company, with SLF's net asset value being included for yield calculation purposes. The Predecessor Entities, excluding SLF, have an unlevered and fully levered yield to maturity as of December 31, 2010 of 12.2% and 14.2%, respectively. SLF has an unlevered and fully levered yield to maturity as of December 31, 2010 of 8.5% and 13.4%, respectively. An unlevered yield to maturity assumes no debt is used to purchase investments and a fully levered yield to maturity assumes each investment is leveraged to full capacity. As of December 31, 2010, our portfolio has a weighted average Unadjusted Yield to Maturity of approximately 10.6%. This calculation has the same assumptions as Yield to Maturity, except that SLF is not treated as a fully levered asset of the Operating Company, and the assets of SLF are consolidated into the Operating Company. Weighted by December 31, 2010 fair value, 77% of our portfolio companies had an

EBITDA of less than $100 million during the last twelve months prior to the time of investment. Since inception, the Predecessor Entities have not experienced any payment defaults or credit losses on these portfolio investments.

We intend to find and analyze investment opportunities by utilizing the experience of the Investment Adviser's investment professionals. We expect to primarily target loans to, and invest in, U.S. middle market businesses, a market segment we believe will continue to be underserved by other lenders. We expect to make investments through both primary originations and open-market secondary purchases. Our investment objective is to generate current income and capital appreciation through investments in Target Securities. We believe our focus on investment opportunities with contractual current interest payments should allow us to provide New Mountain Finance stockholders with consistent dividend distributions and attractive risk adjusted total returns.

In connection with this offering, a series of formation transactions will be undertaken, such that, prior to the completion of this offering, the Operating Company will own all of the operations of the Predecessor Entities existing immediately prior to the formation transactions, including all of the assets and liabilities related to such operations. As a result of these transactions, Guardian AIV will indirectly own, through its wholly-owned subsidiary AIV Holdings, common membership units of the Operating Company, and New Mountain Guardian Partners, L.P. will receive shares of New Mountain Finance's common stock. New Mountain Finance will enter into a joinder agreement with respect to the LLC Agreement, pursuant to which it will acquire from the Operating Company, with the gross proceeds of this offering and the concurrent private placement, 10,344,827 common membership units of the Operating Company (the number of common membership units will equal the number of shares of New Mountain Finance's common stock sold in this offering and the concurrent private placement) in connection with the completion of this offering. The per unit purchase price New Mountain Finance will pay for the common membership units acquired pursuant to a joinder agreement with respect to the LLC Agreement will be equal to the per share offering price at which its common stock is sold pursuant to this offering and the concurrent private placement. After the completion of this offering, New Mountain Finance will be a holding company, and its only business and sole asset will be its ownership of common membership units of the Operating Company, the operating company for our business. The Operating Company will be an externally managed business development company managed by the Investment Adviser. New Mountain Finance and the Operating Company intend to elect to be treated as business development companies under the 1940 Act prior to the completion of this offering. New Mountain Finance intends to elect to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011. See "Material Federal Income Tax Considerations". As a RIC, New Mountain Finance generally will not have to pay corporate-level federal income taxes on any net ordinary income or capital gains that it timely distributes to its stockholders as dividends if it meets certain source-of-income, distribution and asset diversification requirements. The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a RIC. New Mountain Finance intends to distribute to its stockholders substantially all of its annual taxable income, except that it may retain certain net capital gains for reinvestment in common membership units of the Operating Company.

Basis of Presentation

The information discussed below relates to the combined historical operations of New Mountain Finance Holdings, L.L.C., formerly known as New Mountain Guardian (Leveraged), L.L.C., and New Mountain Guardian Partners, L.P., the assets of which will be contributed to the Operating Company in connection with the formation transactions. The combined financial statements of these entities are the Operating Company's historical financial statements. The Operating Company will be New Mountain Finance's sole investment following the completion of this offering. To date, New

Mountain Finance has had no operations. As described in "Formation Transactions and Related Agreements — Holding Company Structure", following the completion of this offering, New Mountain Finance will be a holding company with no direct operations, and its only business and sole asset will be its ownership of common membership units of the Operating Company.

We do not believe that our combined historical operating performance is necessarily indicative of the results of operations that New Mountain Finance or the Operating Company expect to report in future periods. Prior to the completion of this offering, we will consummate the formation transactions and New Mountain Finance and the Operating Company will elect to be treated as business development companies. New Mountain Finance also intends to elect to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011. Because New Mountain Finance will be a business development company and a RIC, the Operating Company will be subject to certain constraints on its operations, including limitations imposed by the 1940 Act and the Code, to which it previously was not subject.

In addition, the historical financial information does not reflect the allocation of certain general and administrative costs or expenses or the impact of management fees that were incurred by affiliates of New Mountain. We expect that, following the completion of this offering, our share of expenses and management fees as a stand-alone company will be higher than those historically incurred by the Operating Company. Accordingly, our historical combined financial information should not be relied upon as being representative of our financial position or operating results had we operated on a stand-alone basis under similar regulatory constraints, nor are they representative of our financial position or operating results following this offering. In addition, following the completion of this offering and the concurrent private placement, New Mountain Finance will own approximately 36.4% of the common membership units of the Operating Company. Depending on New Mountain Finance's ownership interest in the Operating Company, the Operating Company's results of operations may not be consolidated with New Mountain Finance's results of operations in future periods. As a result, our historical and future financial information may not be representative of New Mountain Finance's financial information in future periods.

Revenues. The Operating Company generates revenue in the form of interest income on debt investments and capital gains and distributions, if any, on investment securities that we acquire in portfolio companies. Our debt investments typically have a term of three-to-ten years and bear interest at a fixed or floating rate. In some instances, the Operating Company receives payments on our debt investments based on scheduled amortization of the outstanding balances. In addition, the Operating Company receives repayments of some of our debt investments prior to their scheduled maturity date. The frequency or volume of these repayments may fluctuate significantly from period to period. Our portfolio activity also reflects the proceeds of sales of securities. In some cases, our investments provide for deferred interest payments or payment-in-kind, or PIK, interest. The principal amount of loans and any accrued but unpaid interest generally become due at the maturity date. In addition, the Operating Company may generate revenue in the form of commitment, origination, structuring or due diligence fees, fees for providing managerial assistance and consulting fees. Loan origination fees, original issue discount and market discount or premium are capitalized, and the Operating Company accretes or amortizes such amounts as interest income. The Operating Company records prepayment premiums on loans as interest income. Dividend income, if any, is recognized on an accrual basis to the extent that the Operating Company expects to collect such amounts.

Expenses. The Operating Company's primary operating expenses will include the payment of management fees, its allocable portion of overhead expenses under the Administration Agreement for services provided to New Mountain Finance and the Operating Company and other operating costs described below. Additionally, the Operating Company pays interest expense on outstanding debt under the Credit Facility and expects to pay interest on any outstanding debt

under the Credit Facility following this offering. The Operating Company bears all other out-of-pocket costs and expenses of its and New Mountain Finance's operations and transactions, including:

- the cost of calculating net asset value, including the cost of any third-party valuation services;
- the cost of effecting sales and repurchases of shares of New Mountain Finance's common stock and other securities;
- fees payable to third parties relating to making investments, including out-of-pocket fees and expenses associated with performing due diligence and reviews of prospective investments;
- transfer agent and custodial fees;
- out-of-pocket fees and expenses associated with marketing efforts;
- federal and state registration fees and any stock exchange listing fees;
- federal, state, local and foreign taxes;
- independent directors' fees and expenses;
- brokerage commissions;
- fidelity bond, directors' and officers' liability insurance and other insurance premiums;
- direct costs, such as printing, mailing, long distance telephone and staff;
- fees and expenses associated with independent audits, tax services, and outside legal counsel;
- costs associated with New Mountain Finance's and the Operating Company's reporting and compliance obligations under the 1940 Act and other applicable federal and state securities laws; and
- other expenses incurred by the Operating Company, the Investment Adviser or New Mountain Finance in connection with administering our business, including payments under the Administration Agreement that will be based upon New Mountain Finance's and the Operating Company's allocable portion (subject to the review and approval of the Operating Company's board of directors) of overhead.

However, with respect to the expenses incident to any registration of shares of New Mountain Finance's common stock issued in exchange for common membership units of the Operating Company, AIV Holdings and the Investment Adviser, if applicable, will be responsible for the expenses of any demand registration and their pro rata share of any piggyback registration. See "Formation Transactions and Related Agreements — Structure-Related Agreements — Registration Rights Agreement".

Recent Developments(1)

(1) The numbers in the Recent Developments section are unaudited.

Net Asset Value

New Mountain Finance's March 31, 2011 unaudited net asset value per share is $14.14 on an adjusted and fully diluted basis, reflecting contributions from our investors in the Predecessor Entities received after March 31, 2011, the consummation of the formation transactions, the initial public offering and concurrent private placement (based on the mid-point of the range set forth on the cover page of this prospectus and assuming no exercise of the underwriters' option to purchase additional shares), and the temporary repayment of indebtedness. See "The Offering".

Upon completion of this offering and the concurrent private placement, New Mountain Finance will own 36.4% of the Operating Company (assuming no exercise of the underwriters' option to purchase additional shares). On April 21, 2011, the Operating Company's board of directors, of which a majority of the board members are independent directors, approved the fair value of our portfolio investments as of March 31, 2011 in accordance with the Operating Company's valuation policy to be $460.0 million and determined the Operating Company's unaudited net asset value as of March 31, 2011 to be $313.5 million, which is adjusted to include $23.3 million of contributions received from our investors in the Predecessor Entities after March 31, 2011. This will result in the issuance of 20,221,938 common membership units of the Operating Company (which are exchangeable on a one-for-one basis into shares of New Mountain Finance common stock) to AIV Holdings and 1,252,964 shares of New Mountain Finance common stock to Guardian Partners for their respective ownership interests in the Predecessor Entities. The Operating Company's March 31, 2011 adjusted net asset value is based on this board-approved fair value of our portfolio investments as well as other factors, including investment income earned on the portfolio since December 31, 2010. The 29.6% change in net asset value from December 31, 2010 was primarily due to additional purchases of $87.3 million, sales of $25.9 million, net contributions received since December 31, 2010 and the Operating Company's retained investment income. The March 31, 2011 adjusted unaudited net asset value is comprised of an estimated $523.0 million in assets (36.2% from SLF) and an estimated $209.5 million in liabilities (52.8% from SLF). The estimated assets include cash of $27.2 million and contributions received from investors after March 31, 2011. The estimated liabilities include $171.8 million of borrowings under the Predecessor Credit Facility and SLF Credit Facility, and a $27.6 million payable for unsettled securities purchased. See "Determination of Net Asset Value". The adjusted unaudited net asset value per share as of March 31, 2011 will be different than our actual net asset value for March 31, 2011, primarily due to the contributions from the investors in our Predecessor Entities received after March 31, 2011.

Distributions/Contributions

For the period from March 31, 2011, to April 15, 2011, Guardian AIV and Guardian Partners received aggregate contributions of $23.3 million from our investors in the Predecessor Entities and made no distributions to the partners of Guardian AIV and Guardian Partners.

New Mountain Finance's first quarterly distribution, which it expects will be payable for the second quarter of 2011, is expected to be between $0.20 and $0.25 per share. The amount of the dividend will be proportionately reduced to reflect the number of days remaining in the quarter after the completion of this offering. The actual amount of such distribution, if any, remains subject to approval by New Mountain Finance's board of directors, and there can be no assurance that any distribution paid will fall within such range. In addition, because New Mountain Finance will be a holding company, it will only be able to pay distributions on its common stock from distributions received from the Operating Company. The Operating Company intends to make distributions to its members that will be sufficient to enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a RIC. New Mountain Finance intends to distribute to its stockholders substantially all of its annual taxable income, except that it may retain certain net capital gains for reinvestment in common membership units of the Operating Company.

Recent Portfolio Activity

Below is certain information related to the seven most recent purchases over $10 million by the Operating Company.

Purchase Date	Name of Portfolio Company	Industry	Type of Investment	Yield to Maturity(2)	Purchase Amount (in millions)	Tranche Size (in millions)
3/14/2011	Brock Holdings III, Inc.	Industrial Services	Second Lien	12.2%	$ 14.7	$ 190
3/16/2011	TravelCLICK, Inc.(1)	Information Services	First Lien	15.7%	16.2	160
3/18/2011	Airvana Network Solutions Inc.(3)	Software	First Lien	11.5%	15.7	420
3/30/2011	Vision Solutions, Inc.(3)	Software	Second Lien	11.5%	11.9	90
4/15/2011	Unitek Global Services, Inc.	Business Services	First Lien	11.6%	19.4	100
4/21/2011	Sotera Defense Solutions, Inc.(1)	Federal Services	First Lien	16.8%	16.8	145
5/2/2011	Pacific Architects and Engineers Incorporated(1)	Federal Services	First Lien	19.4%	14.7	50

Notes:

(1) Investment is a purchase by SLF.

(2) Assumes that the investments in our portfolio as of a certain date, the Portfolio Date, are purchased at fair value on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. Interest income is assumed to be received quarterly for all debt securities. For floating rate debt securities, the interest rate is calculated by adding the spread to the projected three-month LIBOR at each respective quarter, which is determined based on the forward three-month LIBOR curve per Bloomberg as of the Portfolio Date. This calculation excludes the impact of existing leverage for assets held by the Predecessor Entities, but includes the impact of pro rata leverage for investments held directly by SLF.

(3) Previously held debt in the portfolio company was fully repaid due to debt refinancing. The purchases represent the allocations received from participating in those refinancing deals.

Predecessor Entities

From January 1, 2011 to March 31, 2011, the Predecessor Entities purchased 11 investments in 11 portfolio companies, totaling approximately $87.3 million and sold 4 investments in 4 portfolio companies, totaling approximately $25.9 million.

Set forth below are the purchases and sales between January 1, 2011 and March 31, 2011:

Purchases

Name / Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)(2)	Maturity	Yield to Maturity(2)	% of Class Held(2)	Par Amount	Purchase Amount
							(unaudited) (in thousands)	
Airvana Networks Solutions Inc.(3) 19 Alpha Road Chelmsford, MA 01824	Software	First Lien	10.00% (L + 800)	3/25/2015	11.5%	3.8%	16,000	15,680
Brock Holdings III, Inc. 10343 Sam Houston Park Drive Suite 200 Houston, TX 77064	Industrial Services	Second Lien	10.00% (L + 825)	3/16/2018	12.2%	7.9%	15,000	14,700
Datatel, Inc.(3) 4375 Fair Lakes Court Fairfax, VA 22033	Software	Second Lien	8.75% (L + 725)	2/19/2018	11.0%	3.3%	5,000	4,975
Stratus Technologies, Inc. 111 Powdermill Road Maynard, MA 01754	Information Technology	First Lien	12.00%	3/29/2015	16.0%	0.9%	2,000	1,810
Vision Solutions, Inc.(3) 17911 Von Karman, Suite 500 Irvine, CA 92614	Software	Second Lien	9.50% (L + 800)	7/23/2017	11.5%	13.3%	12,000	11,880
Total							$ 50,000	$ 49,045
Undrawn Revolver								
Advantage Sales & Marketing, Inc. 18100 Von Karman Avenue, Suite 1000 Irvine, CA 92612	Business Services	First Lien	—	12/17/2015	N/A	10.5%	$ 10,500	$ (1,260)

Notes:

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to LIBOR (L) or the Prime Rate (P) and which resets quarterly or monthly.

(2) The percentage shown is as of the purchase date of the investment.

(3) Previously held debt in the portfolio company was fully repaid due to debt refinancing. The purchases represent the allocations received from participating in those refinancing deals.

Sales

Name / Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Par Amount	Sale Amount (unaudited) (in thousands)	$s Invested(2)
Applied Systems, Inc. 200 Applied Parkway University Park, IL 60484	Software	Second Lien	9.25% (L + 775)	6/8/2017	$ 2,000	$ 2,020	$ 1,980
First Data Corporation 5565 Glenridge Connector NE, Suite 2000 Atlanta, GA 30342	Business Services	First Lien	3.01% (L + 275)	9/24/2014	10,646	10,176	6,993
Kronos Incorporated 297 Billerica Road Cheimsford, MA 01824	Software	Second Lien	6.05% (L + 575)	6/11/2015	6,700	6,674	4,690
RGIS Services, LLC 2000 East Taylor Road Auburn Hills, MI 48326	Business Services	First Lien	2.80% (L + 250)	4/30/2014	7,394	7,061	5,293
Total					**$ 26,740**	**$ 25,931**	**$ 18,956**

Notes:

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to LIBOR (L) or the Prime Rate (P) and which resets quarterly or monthly.

(2) Excludes fees.

After giving effect to the purchases and sales between January 1, 2011 and March 31, 2011 above, our pro forma weighted average Yield to Maturity as of March 31, 2011 would have been 12.6% consisting of: (1) 9.8% cash interest based on LIBOR as of March 31, 2011, (2) an additional 0.6% representing the impact of using the forward three-month LIBOR curve on an asset by asset basis, (3) 1.0% current PIK interest and (4) 1.2% accretion of market discount. After giving effect to the purchases and sales between January 1, 2011 and March 31, 2011 above, our pro forma weighted average Unadjusted Yield to Maturity as of March 31, 2011 would have been 10.5%. The Predecessor Entities, excluding SLF, have an unlevered and a fully levered yield to maturity as of March 31, 2011, of 12.1% and 14.5%, respectively. The SLF has an unlevered and fully levered Yield to Maturity as of March 31, 2011 of 8.3% and 14.8%, respectively. An unlevered Yield to Maturity assumes no debt is used to purchase investments and a fully levered Yield to Maturity assumes each investment is levered to full capacity.

SLF

Set forth below are the purchases of SLF from January 1, 2011 through March 31, 2011. SLF had no sales during this period.

Purchases

Name / Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)(2)	Maturity	% of Class Held(2)	Par Amount	Purchase Amount
						(unaudited) (in thousands)	
Focus Brands, Inc.(3) 200 Glenridge Point Parkway, Suite 200 Atlanta, GA 30342	Franchises	First Lien	5.25% (L + 400)	11/5/2016	2.4%	$ 6,000	$ 6,000
Hyland Software, Inc.(3) 28500 Clemons Road Westlake, OH 44145	Software	First Lien	5.75% (L + 425)	12/19/2016	3.9%	8,000	8,000
Research Pharmaceutical Services, Inc. 520 Virginia Drive Fort Washington, PA 19034	Healthcare Services	First Lien	6.75% (L + 525)	2/20/2017	9.4%	7,500	7,388
Source Media Inc. and Accuity Inc. 1 State Street Plaza, 25th Floor New York, NY 10004	Business Services	First Lien	6.50% (L + 500)	1/24/2017	1.4%	2,000	1,980
TravelCLICK, Inc. 300 North Martingale, Suite 500 Schaumburg, Illinois 60173	Information Services	First Lien	6.50% (L + 500)	3/16/2016	10.3%	16,500	16,170
Total						$ 40,000	$ 39,538

Notes:

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to LIBOR (L) or the Prime Rate (P) and which resets quarterly or monthly.

(2) The percentage shown is as of the purchase date of the investment.

(3) Previously held debt in the portfolio company was fully repaid due to debt refinancing. The purchases represent the allocations received from participating in those refinancing deals.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following items as critical accounting policies.

Valuation of Portfolio Investments

The Operating Company conducts the valuation of our assets, pursuant to which its net asset value, and, consequently, New Mountain Finance's net asset value is determined, at all times consistent with accounting principles generally accepted in the United States of America, or GAAP, and the 1940 Act. The Operating Company's valuation procedures are set forth in more detail below:

Investments for which market quotations are readily available on an exchange are valued at such market quotations. The Investment Adviser may also obtain indicative prices with respect to certain of our investments from pricing services or brokers or dealers in order to value these investments. When doing so, the Investment Adviser determines whether the quote obtained is sufficient to determine the fair value of the investment. If determined adequate, the Operating Company uses the quote obtained.

Investments for which the Operating Company does not have readily available market quotations are valued at fair value as determined in good faith by its board of directors. We expect the Operating Company will value these investments at fair value as determined in good faith by its board of directors using a documented valuation policy and a consistently applied valuation process. The Operating Company's board of directors has engaged an independent third-party valuation firm to provide it with valuation assistance with respect to our material unquoted assets.

Valuation methods may include comparisons of financial ratios of the portfolio companies that issued such private securities to peer companies that are public, the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, and other relevant factors. When an external event such as a purchase transaction, public offering or subsequent sale occurs, the Operating Company will consider the pricing indicated by the external event to corroborate the private valuation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the investments may differ significantly from the values that would have been used had a readily available market value existed for such investments, and the differences could be material.

The Operating Company's board of directors is ultimately and solely responsible for determining the fair value of the portfolio investments that are not publicly traded, whose market prices are not readily available on a quarterly basis in good faith or any other situation where portfolio investments require a fair value determination.

With respect to investments for which market quotations are not readily available, the Operating Company's board of directors undertakes a multi-step valuation process each quarter, as described below:

- The quarterly valuation process will begin with each portfolio company or investment being initially valued by the investment professionals of the Investment Adviser responsible for the credit monitoring;

- Preliminary valuation conclusions will then be documented and discussed with the Operating Company's senior management;
- At least once annually, the valuation for each portfolio investment for which the Operating Company does not have a readily available market quotation for four consecutive quarters will be reviewed by an independent valuation firm engaged by the Operating Company's board of directors subject to a materiality threshold;
- The valuation committee of the Operating Company's board of directors will review these valuations; and
- The Operating Company's board of directors will discuss the valuations and determine the fair value of each investment in our portfolio in good faith.

In following these approaches, the types of factors that are taken into account in fair value pricing investments include, as relevant, but are not limited to: available market data, including relevant and applicable market trading and transaction comparables; applicable market yields and multiples; security covenants; call protection provisions; information rights; the nature and realizable value of any collateral; the portfolio company's ability to make payments, its earnings and discounted cash flows and the markets in which it does business; comparisons of financial ratios of peer companies that are public; comparable merger and acquisition transactions; and the principal market and enterprise values.

Determination of fair values involves subjective judgments and estimates. Under GAAP, the notes to the Operating Company's financial statements refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on its financial statements.

In the event that New Mountain Finance's board of directors believes that a different fair value for the Operating Company's investments is appropriate, New Mountain Finance's board of directors will endeavor to discuss the differences in the valuations with the Operating Company's board of directors for the purposes of resolving the differences in valuation. The valuation procedures of New Mountain Finance will be substantially similar to those utilized by the Operating Company described above.

Revenue Recognition

Our revenue recognition policies are as follows:

Investments and Related Investment Income. The Operating Company accounts for investment transactions on a trade-date basis. The Operating Company's board of directors determines the fair value of our portfolio of investments. Interest is recognized on the accrual basis, adjusted for accretion of discount. For investments with contractual PIK interest, which represents contractual interest accrued and added to the principal balance that generally becomes due at maturity, the Operating Company will not accrue PIK interest if the portfolio company valuation indicates that the PIK interest is not collectible. Realized gains or losses on investments are measured by the difference between the net proceeds from the disposition and the cost basis of investment, using the specific identification method, without regard to unrealized gains or losses previously recognized. The Operating Company reports changes in fair value of investments that are measured at fair value as a component of the net change in unrealized appreciation (depreciation) on investments in its statement of operations.

Portfolio Composition, Investment Activity and Yield

The fair value of our investments was approximately $441.1 million in 43 portfolio companies at December 31, 2010, $320.5 million in 24 portfolio companies at December 31, 2009 and $61.5 million in six portfolio companies at December 31, 2008. For the year ended December 31,

2010, the Operating Company made approximately $332.7 million of new investments in 34 portfolio companies. For the year ended December 31, 2009, the Operating Company made approximately $268.4 million of new investments in 29 portfolio companies. From October 2008 (inception) through December 31, 2008, which we refer to in this prospectus as the "2008 Operating Period", the Operating Company made approximately $63.0 million of new investments in six portfolio companies.

For the year ended December 31, 2010, the Operating Company had approximately $40.3 million in debt repayments in existing portfolio companies and sales of securities in 16 portfolio companies aggregating approximately $217.9 million. For the year ended December 31, 2009, the Operating Company had approximately $10.1 million of debt repayments and sales of securities in 12 portfolio companies aggregating approximately $115.3 million. For the 2008 Operating Period, the Operating Company had approximately $0.1 million of debt repayments and no sales of securities.

The Operating Company had $66.3 million in realized gains on investments for the year ended December 31, 2010 and $37.1 million in realized gains on investments for the year ended December 31, 2009. For the 2008 Operating Period, the Operating Company had no realized gains on investments. In addition, during the year ended December 31, 2010, the Operating Company had a change in unrealized appreciation on 36 portfolio companies totaling approximately $13.0 million, which was offset by a change in unrealized depreciation on 18 portfolio companies totaling approximately $53.0 million. During the year ended December 31, 2009, the Operating Company had a change in unrealized appreciation on 21 portfolio companies totaling approximately $69.3 million, which was offset by a change in unrealized depreciation on four portfolio companies totaling approximately $1.2 million. During the 2008 Operating Period, the Operating Company had a change in unrealized appreciation on two portfolio companies totaling approximately $0.7 million, which was offset by a change in unrealized depreciation on four portfolio companies totaling approximately $2.1 million. Movement in unrealized appreciation or unrealized depreciation can be the result of realizations.

The following tables show the par value and fair value of our portfolio of investments by asset class as of December 31, 2010, December 31, 2009 and December 31, 2008 and our portfolio mix by industry as of December 31, 2010:

Portfolio Mix by Type

	December 31, 2010			
	Par Value(1)		Fair Value	
Type	(in thousands)	% of Total	(in thousands)	% of Total
First lien	$ 339,139	73.0%	$ 321,212	72.9%
Second lien	104,346	22.4%	98,935	22.4%
Subordinated	21,496	4.6%	20,378	4.6%
Equity and other	—	—	533	0.1%
Total	**$ 464,981**	**100.0%**	**$ 441,058**	**100.0%**

	December 31, 2009			
	Par Value(1)		Fair Value	
Type	(in thousands)	% of Total	(in thousands)	% of Total
First lien	$ 314,173	76.2%	$ 244,929	76.4%
Second lien	66,511	16.1%	53,255	16.6%
Subordinated	31,728	7.7%	22,339	7.0%
Total	$ 412,412	100.0%	$ 320,523	100.0%

	December 31, 2008			
	Par Value(1)		Fair Value	
Type	(in thousands)	% of Total	(in thousands)	% of Total
First lien	$ 113,747	100.0%	$ 61,451	100.0%
Total	$ 113,747	100.0%	$ 61,451	100.0%

(1) Excludes shares and warrants.

Portfolio Mix by Industry

	As of December 31, 2010			
	Par Value(1)		Fair Value	
Industry	(in thousands)	% of Total	(in thousands)	% of Total
Software	$ 116,954	25.0%	$ 111,886	25.2%
Healthcare Services	97,935	21.1%	94,835	21.5%
Business Services	68,462	14.7%	61,658	14.0%
Federal Services	31,554	6.8%	31,796	7.2%
Education	34,656	7.5%	31,506	7.1%
Consumer Services	26,627	5.7%	25,173	5.7%
Healthcare Information Technology	14,000	3.0%	13,965	3.2%
Telecommunication	12,000	2.6%	12,240	2.8%
Media	12,000	2.6%	11,880	2.7%
Industrial Services	11,163	2.4%	10,426	2.4%
Franchises	9,182	2.0%	9,285	2.1%
Power Generation	11,146	2.4%	7,803	1.8%
Logistics	6,000	1.3%	5,985	1.4%
Energy	4,478	1.0%	4,746	1.1%
Information Technology	5,000	1.1%	4,280	1.0%
Healthcare Facilities	3,824	0.8%	3,594	0.8%
Total	**$ 464,981**	**100.0%**	**$ 441,058**	**100.0%**

(1) Excludes shares and warrants.

As of December 31, 2010, December 31, 2009 and December 31, 2008, the weighted average Yield to Maturity of our portfolio was approximately 12.5%, 12.7% and 18.8% respectively. As of December 31, 2010, the components of the 12.5% weighted average Yield to Maturity of our portfolio were: (1) 9.5% cash interest based on LIBOR as of December 31, 2010, (2) an additional 0.5% representing the impact of using the forward three-month LIBOR curve on an asset by asset basis, (3) 1.0% current PIK interest and (4) 1.5% accretion of market discount. This calculation excludes the impact of existing leverage, except for the non-recourse debt of SLF. SLF is treated as a fully levered asset of the Operating Company, with SLF's net asset value being included for yield calculation purposes. As of December 31, 2010, the weighted average Unadjusted Yield to Maturity of our portfolio was 10.6%. This calculation has the same assumptions as Yield to Maturity except that SLF is not treated as a fully levered asset of the Operating Company, and the assets of SLF are consolidated into the Operating Company.

The following table sets forth our realized and unrealized investments since inception as of December 31, 2010.

REALIZED INVESTMENTS

Company	Security	Par Value (in thousands)	$s Invested(1) (in thousands)	$s Received(1)(2) (in thousands)	Mutiple of Capital Invested	Holding Period
Brand Energy & Infrastructure Services, Inc.	First lien	$ 38,044	$ 22,587	$ 35,638	1.58x	10 mos.
	Second lien	6,000	2,790	5,355	1.92x	10 mos.
RGIS Services, LLC	First lien	37,631	21,046	35,547	1.69x	18 mos.
Brickman Group Holdings, Inc.	First lien	29,222	18,682	26,822	1.44x	5 mos.
Kronos Incorporated	First lien	30,504	20,427	28,673	1.40x	10 mos.
	Second lien	4,000	2,800	3,920	1.40x	10 mos.
Education Management LLC	First lien	31,328	19,968	28,545	1.43x	5 mos.
Catalent Pharma Solutions, Inc.	First lien	31,189	6,012	13,519	2.25x	9 mos.
	Subordinated	25,218	4,241	12,030	2.84x	11 mos.
CDW LLC	First lien	25,999	21,341	24,956	1.17x	11 mos.
CRC Health Corporation	First lien	22,873	15,405	21,673	1.41x	15 mos.
TA Indigo Holding Corporation	Subordinated	18,916	8,194	18,916	2.31x	11 mos.
Brock Holdings III, Inc	First lien	19,535	15,086	18,457	1.22x	14 mos.
Laureate Education, Inc.	First lien	17,521	11,517	16,566	1.44x	22 mos.
Sheridan Holdings, Inc.	First lien	15,836	10,261	15,044	1.47x	13 mos.
First Data Corporation	First lien	13,347	8,749	12,385	1.42x	21 mos.
Mega Brands, Inc.(3)	First lien	12,684	5,772	7,651	1.33x	3 mos.
	Common Stock	2,597	961	1,194	1.24x	6 mos.
Nielsen Finance LLC	First lien	9,990	6,321	8,746	1.38x	5 mos.
Adesa, Inc.	First lien	9,000	6,155	7,638	1.24x	2 mos.
Berry Plastics Holding Corporation	First lien	8,000	5,375	7,558	1.41x	13 mos.
National CineMedia, LLC	First lien	9,000	5,030	7,380	1.47x	2 mos.
Trident Exploration Corp.	First lien	4,523	4,387	4,584	1.04x	3 mos.
ATI Acquisition Company	Subordinated	4,500	4,410	4,444	1.01x	1 mos.
GSI Commerce Inc	Subordinated	5,000	2,550	4,274	1.68x	6 mos.
Oriental Trading Company, Inc.	First lien	4,000	2,640	3,360	1.27x	1 mos.
Serena Software, Inc.	First lien	2,390	1,473	2,105	1.43x	2 mos.
Sabre Inc.	First lien	2,000	1,510	1,891	1.25x	8 mos.
Airvana Network Solutions Inc.	First lien	1,750	1,715	1,750	1.02x	3 mos.
Focus Brands, Inc.	First lien	818	810	818	1.01x	1 mos.
Surgical Care Affiliates, LLC	First lien	637	377	586	1.55x	0 mos.
Other		1,785	1,540	1,785	1.16x	—
Total Realized		**$ 445,837**	**$ 260,132**	**$ 383,810**	**1.48x**	**10 mos.**

UNREALIZED INVESTMENTS

Company	Security	Par Value (in thousands)	$s Invested(1) (in thousands)	$s Fair Value (in thousands)	Mutiple of Capital Invested	Holding Period
Managed Health Care Associates, Inc.	First lien	$ 22,468	$ 16,000	$ 20,558	1.28x	18 mos.
	Second lien	15,000	10,500	13,200	1.26x	14 mos.
Attachmate Corporation, NetIQ Corporation	Second lien	22,500	15,600	22,275	1.43x	16 mos.
Learning Care Group (US), Inc.	First lien	17,368	17,021	17,193	1.01x	8 mos.
	Subordinated	2,832	2,385	2,630	1.10x	8 mos.
	Warrants	N/A	194	194	1.00x	8 mos.
Decision Resources, LLC	First lien	18,000	17,730	17,820	1.01x	0 mos.
KeyPoint Government Solutions, Inc	First lien	18,000	17,640	17,730	1.01x	0 mos.
Smile Brands Group, Inc.	First lien	17,500	17,238	17,391	1.01x	0 mos.
Volume Services America, Inc. (Centerplate)	First lien	14,963	14,514	15,056	1.04x	3 mos.
MLM Holdings, Inc.	First lien	14,962	14,738	14,775	1.00x	1 mos.
LANDesk Software, Inc.	First lien	15,000	14,700	14,719	1.00x	1 mos.
SonicWALL, Inc.	First lien	4,486	4,508	4,520	1.00x	5 mos.
	Second lien	10,000	9,700	10,050	1.04x	5 mos.
Virtual Radiologic Corporation	First lien	14,000	13,790	13,965	1.01x	0 mos.
Asurion, LLC	First lien	13,000	12,480	13,052	1.05x	2 mos.
Aspen Dental Management, Inc.	First lien	12,968	12,708	13,016	1.02x	2 mos.
Firefox Merger Sub, LLC (f/k/a Fibertech Networks, LLC)	First lien	12,000	11,820	12,240	1.04x	1 mos.
Airvana Network Solutions Inc.	First lien	11,833	11,597	11,892	1.03x	4 mos.
Mailsouth, Inc.	First lien	12,000	11,820	11,880	1.01x	0 mos.
Merge Healthcare Inc.	First lien	11,000	10,780	11,770	1.09x	8 mos.
Merrill Communications LLC	First lien	11,422	8,382	11,393	1.36x	18 mos.
PODS Holding Funding Corp.	Subordinated	11,664	8,350	10,117	1.21x	10 mos.
Vertafore, Inc	Second lien	10,000	9,900	10,106	1.02x	2 mos.
CHG Companies, Inc.	Second lien	10,000	9,800	9,900	1.01x	2 mos.
First Data Corporation	First lien	10,646	6,992	9,842	1.41x	22 mos.
Focus Brands, Inc.	First lien	9,182	9,090	9,285	1.02x	1 mos.
Sunquest Information Systems, Inc.	Second lien	9,000	8,820	9,000	1.02x	0 mos.
Mach Gen, LLC	Second lien	11,146	6,963	7,803	1.12x	17 mos.
SSI Investments II Limited	First lien	7,000	7,070	7,630	1.08x	7 mos.
Hyland Software, Inc.	First lien	7,500	7,425	7,528	1.01x	0 mos.
Wyle Services Corporation	First lien	7,481	7,509	7,509	1.00x	4 mos.
RGIS Services, LLC	First lien	7,394	5,293	6,914	1.31x	25 mos.
Kronos Incorporated	Second lien	6,700	4,690	6,563	1.40x	19 mos.
Alion Science and Technology Corporation	First lien	6,073	5,557	6,273	1.13x	9 mos.
	Warrants	N/A	293	284	0.97x	6 mos.
Bartlett Holdings, Inc.	First lien	6,000	5,940	6,038	1.02x	1 mos.
Ozburn-Hessey Holding Company LLC	Second lien	6,000	5,865	5,985	1.02x	9 mos.
Vision Solutions, Inc.	First lien	5,775	5,660	5,753	1.02x	5 mos.
Trident Exploration Corp.	First lien	4,478	4,363	4,746	1.09x	6 mos.
LVI Services, Inc	First lien	5,163	3,636	4,388	1.21x	12 mos.
Stratus Technologies, Inc.	First lien	5,000	4,763	4,225	0.89x	9 mos.
	Ordinary shares	N/A	47	45	0.96x	3 mos.
	Preferred shares	N/A	11	10	0.91x	3 mos.
ATI Acquisition Company	First lien	4,455	4,277	4,076	0.95x	12 mos.
Physiotherapy Associates, Inc. / Benchmark Medical, Inc.	First lien	3,823	2,829	3,594	1.27x	14 mos.
Brickman Group Holdings, Inc.	First lien	3,000	3,036	3,043	1.00x	2 mos.
Datatel, Inc	Second lien	2,000	1,960	2,043	1.04x	12 mos.
Applied Systems, Inc.	Second lien	2,000	1,980	2,009	1.01x	1 mos.
Subtotal		**$ 452,782**	**$ 407,964**	**$ 442,028**	**1.08x**	**6 mos.**

Company	Security	Par Value (in thousands)	$s Invested(1) (in thousands)	$s Fair Value (in thousands)	Mutiple of Capital Invested	Holding Period
Cumulative Undrawn Revolvers						
RGIS Services, LLC	First lien	$ 5,000	$ (2,318)	$ (406)		
Kronos Incorporated	First lien	4,199	(630)	(346)		
Education Management LLC	First lien	3,000	(537)	(218)		
Subtotal		$ 12,199	$ (3,485)	$ (970)		
Total Unrealized		$ 464,981	$ 404,479	$ 441,058	1.09x	6 mos.
TOTAL						

	Par Value (in thousands)	$s Invested (in thousands)	$s Received + Fair Value (in thousands)	Mutiple of Capital Invested	Holding Period
Realized and Unrealized Investments(4)	$ 910,818	$ 664,611	$ 824,868	1.24x	8 mos.
Investment Income(5)	—	—	32,850	—	—
TOTAL	**$ 910,818**	**$ 664,611**	**$ 857,718**	**1.30x**	**8 mos.**

Notes:

(1) Excludes fees.

(2) Excludes interest received.

(3) Par value of the term loan was fully relieved through receipt of cash and common stock. The $5.8 million invested capital that is classified in "Realized Investments" as first lien relates to the portion of the original investment that was relieved by the cash payment received, and the $1.0 million invested capital that is classified in "Realized Investments" as common stock relates to the portion of the original investment that was relieved by the common stock received. The common stock was sold during the three months ended September 30, 2010.

(4) Historical returns may not be indicative of our future performance.

(5) Excludes amortization of purchase premiums and discounts as well as interest paid-in-kind.

Results of Operations

Results of Operations for the Year Ended December 31, 2010 compared to the Year Ended December 31, 2009

Revenue

	Year Ended		
	December 31, 2010	December 31, 2009	% Change
	(in thousands)		
Interest income	$ 40,485	$ 21,109	92%
Other income	890	658	35%
Total investment income	$ 41,375	$ 21,767	

Total investment income increased by $19.6 million for the year ended December 31, 2010 as compared to the year ended December 31, 2009. The increase in investment income was primarily attributable to the larger invested balance during 2010. Additionally, there was an increase during 2010 in the number of investments with higher fixed interest rates relative to 2009. As of December 31, 2010, fixed interest rate investments made up approximately 13.11% of the par value of the portfolio with a weighted average fixed rate of approximately 12.88%. As of December 31, 2009, fixed interest rate investments made up approximately 6.60% of the par value of the portfolio with a weighted average fixed rate of approximately 11.94%.

Operating Expenses

	Year Ended		
	December 31, 2010	December 31, 2009	% Change
	(in thousands)		
Interest and other credit facility expenses	$ 2,948	$ 490	502 %
Other expenses	636	487	31 %
Professional fees	327	382	(14)%
Total operating expenses	$ 3,911	$ 1,359	

Total operating expenses increased by $2.6 million for the year ended December 31, 2010 as compared to the year ended December 31, 2009. Interest and other credit facility expenses increased $2.5 million during the year ended December 31, 2010 as compared to the year ended December 31, 2009. The two credit agreements that comprise the Predecessor Credit Facility were executed in October and November of 2009 and therefore were only outstanding for part of the year in 2009. During 2010, the Predecessor Credit Facility had varying amounts outstanding throughout the whole year. Additionally, the two credit agreements that comprise the SLF Credit Facility were executed in October of 2010. The increase in other expenses of $0.1 million for the year ended December 31, 2010 as compared to the year ended December 31, 2009 was primarily due to an increase in fees paid to third-party vendors.

Following the completion of this offering, the Operating Company will pay management fees under the Investment Management Agreement, which provides a different basis for the calculation of these fees as compared to amounts previously paid prior to the completion of this offering. In addition, historical operating expenses do not reflect the allocation of certain administrative costs and professional fees that will be incurred following the completion of this offering. Accordingly, the Operating Company's historical operating expense amounts will not be comparable to its operating expenses after the completion of this offering.

Realized Gains and Net Change in Unrealized (Depreciation) Appreciation

	Year Ended	
	December 31, 2010	December 31, 2009
	(in thousands)	
Realized gains on investments	$ 66,287	$ 37,129
Net change in unrealized (depreciation) appreciation of investments	(39,959)	68,143
Total net realized gains and net change in unrealized (depreciation) appreciation	$ 26,328	$ 105,272

The net realized and unrealized gains or losses resulted in a net gain of $26.3 million for the year ended December 31, 2010 compared to a net gain of $105.3 million for the same period in 2009. The net gain for the year ended December 31, 2010 was primarily driven by the continued appreciation of our portfolio and the sale of investments with fair values in excess of December 31, 2009 valuations, resulting in realized gains being greater than the reversal of the cumulative unrealized gains for those investments. The net gain during the year ended December 31, 2009 was primarily driven by the sharp rise in market prices. We look at total realized and unrealized gains or losses together as movement in unrealized appreciation or depreciation can be the result of realizations.

Results of Operations for the Year Ended December 31, 2009 compared to the October 29 (Inception) to December 31, 2008

Revenue

	Year Ended December 31, 2009	October 29 (Inception) to December 31, 2008	% Change
	(in thousands)		
Interest income	$ 21,109	$ 86	NM*
Other income	658	170	287%
Total investment income	$ 21,767	$ 256	

* Not meaningful.

Investment income increased by $21.5 million for the year ended December 31, 2009 as compared to the two-month period ended December 31, 2008. The increase in investment income was primarily due to a full year of operations, during which the size of our portfolio grew. The value of invested assets for the year ended December 31, 2009 was $320.5 million, an increase of $259.1 million from the end of the 2008 operating period.

Operating Expenses

	Year Ended December 31, 2009	October 29 (Inception) to December 31, 2008	% Change
	(in thousands)		
Interest and other credit facility expenses	$ 490	$ —	N/A
Other expenses	487	—	N/A
Professional fees	382	—	N/A
Total operating expenses	$ 1,359	$ —	

Total operating expenses were $1.4 million for the year ended December 31, 2009 compared to no operating expenses in the 2008 operating period. Interest and other credit facility expenses incurred during the year ended December 31, 2009 were associated with the Predecessor Credit Facility. Professional fees were $0.4 million during the year ended December 31, 2009, which consisted of legal, audit and other costs related to operations. Following the completion of this offering, the Operating Company will pay management fees under the Investment Management Agreement, which provides a different basis for the calculation of these fees as compared to amounts previously paid prior to the completion of this offering. In addition, historical operating expenses do not reflect the allocation of certain administrative costs and professional fees that will be incurred following the completion of this offering. Accordingly, the Operating Company's historical operating expense amounts will not be comparable to its operating expenses after the completion of this offering.

Realized Gains (Losses) and Net Change in Unrealized Appreciation (Depreciation)

	Year Ended December 31, 2009	October 29 (Inception) to December 31, 2008
	(in thousands)	
Realized gains on investments	$ 37,129	$ —
Net change in unrealized appreciation (depreciation) of investments	68,143	(1,435)
Total net realized gains and net change in unrealized appreciation (depreciation)	$ 105,272	$ (1,435)

The net realized and unrealized gains or losses resulted in a net gain of $105.3 million for the year ended December 31, 2009 compared to a net loss of $1.4 million for the 2008 operating period. The net gain for the year ended December 31, 2009 was primarily due to the rise in market prices and the sale of portfolio assets. Sales included the full exit of seven portfolio companies and partial exits or repayments of 15 portfolio companies, with total proceeds of $125.4 million. We look at total realized and unrealized gains or losses together as movement in unrealized appreciation or depreciation can be a result of realizations.

Income Tax

As a disregarded entity for federal income tax purposes prior to this offering, the Operating Company did not pay federal income taxes.

Liquidity and Capital Resources

As of December 31, 2010, 2009 and 2008, the Operating Company had cash and cash equivalents of $10.7 million, $4.1 million, and $0.2 million, respectively. Cash provided or used by operating activities for the years ended December 31, 2010, 2009 and 2008 was $29.1 million, $(157.2) million and $(31.3) million, respectively. Cash provided by operations resulted primarily from income items described in "— Results of Operations" above.

As business development companies, New Mountain Finance and the Operating Company will have an ongoing need to raise additional capital for investment purposes. In the future, the Operating Company may need to increase its liquidity and raise additional capital through offerings by the Operating Company of debt securities or offerings by New Mountain Finance of equity securities, which would in turn increase the equity capital available to the Operating Company, sales of investments by the Operating Company as well as borrowings under the Credit Facility, SLF Credit Facility or other debt facilities. In recent periods, global credit and other financial markets have suffered substantial stress, volatility, illiquidity and disruption. These events significantly diminished overall confidence in the debt and equity markets and caused increased

economic uncertainty. Future deterioration in the financial markets or a prolonged period of illiquidity without improvement could materially impair New Mountain Finance's ability to raise equity capital or the Operating Company's ability to raise debt capital on commercially reasonable terms.

Credit Facilities

The Credit Facility

Prior to the completion of this offering, the Operating Company will become party to the Credit Facility pursuant to a secured credit agreement with Wells Fargo Bank, N.A., as lender, and other parties, providing for potential borrowings of up to $160.0 million, which will amend and restate the Predecessor Credit Facility. Under the Credit Facility, the Operating Company will act as the Collateral Administrator. The Credit Facility is secured by all assets owned by the borrower and contains an advance rate, during the revolving period, of up to 45.0% of eligible first lien debt instruments pledged by the relevant borrower and an advance rate of up to 25.0% of eligible second lien debt instruments pledged by the relevant borrower. Borrowings under the Credit Facility are subject to an (i) asset level maximum adjusted net senior leverage ratio (ii) an asset coverage ratio and (iii) certain other value adjustment events. At December 31, 2010, there was $59.7 million outstanding under the Predecessor Credit Facility.

The revolving period under the Credit Facility terminates on October 21, 2013, and the Credit Facility matures on October 21, 2015. Borrowings under the Credit Facility bear interest at an annual rate of LIBOR plus 3.0%, payable in cash, on the outstanding principal amount. In the case where the daily average bid price of the S&P/LSTA U.S. Leveraged Loan 100 Index is less than 75 (and such index was 96.04 as of April 15, 2011) for a period of ten consecutive Business Days, the rate may be incrementally increased by 0.50%, up to a rate of LIBOR plus 4.50% in the absence of an Event of Default. At December 31, 2010, the effective annual interest rate of the Predecessor Credit Facility was 3.3%. The Credit Facility contains default provisions and affirmative and negative covenants that are usual and customary for secured financings by special purpose entities, including (i) compliance with an asset coverage ratio, (ii) a change of control provision with respect to the borrower and certain of its direct and indirect owners and (iii) a prohibition against incurring additional indebtedness under a separate credit facility. The Operating Company is required to be regulated as a business development company under the 1940 Act. In addition, an event of default will result from a "Collateral Administrator Termination Event", which is defined to include, without limitation, the following events: (i) failure of the Collateral Administrator to make payments into the collection account or to perform certain covenants in the transaction documents related to the Credit Facility; (ii) insolvency of the Collateral Administrator; (iii) the occurrence of any change determined to have a material adverse effect on the Collateral Administrator; and (iv) a change of control of the Collateral Administrator. Following an event of default under the Credit Facility, the administrative agent may declare outstanding amounts immediately due and payable in full. Certain covenants may restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments. See "Risk Factors — Risks Relating to Our Business — If the Operating Company is unable to comply with the covenants or restrictions in the Credit Facility, our business could be materially adversely affected".

The SLF Credit Facility

As of the date of this offering, New Mountain Finance SPV Funding, L.L.C. will be party to the SLF Credit Facility pursuant to a secured credit agreement with Wells Fargo Bank, N.A., as lender, New Mountain Finance Holdings, L.L.C., as collateral administrator, and other parties, entered into on October 27, 2010, providing for potential borrowings, after giving effect to subsequent amendments, of $150.0 million. The SLF Credit Facility is secured by all assets owned by New Mountain Finance SPV Funding, L.L.C. and contains an advance rate, during the revolving period, of up to 67.0% of eligible debt instruments, subject to an asset level maximum adjusted net senior

leverage ratio and an asset level minimum cash interest coverage ratio. At December 31, 2010, there was $56.9 million outstanding under the SLF Credit Facility.

The revolving period under the SLF Credit Facility terminates on October 27, 2013, and the SLF Credit Facility matures on October 27, 2015. Borrowings under SLF Credit Facility bear interest at an annual rate of LIBOR plus a margin of 2.25% per annum, payable in cash, on the outstanding principal amount. At December 31, 2010, the effective annual interest rate of the SLF Credit Facility was 2.5%. The SLF Credit Facility contains default provisions and affirmative and negative covenants usual and customary for secured financings by special purpose entities, including (i) a change of control provision with respect to the borrower and certain of its direct and indirect owners (including if the Investment Adviser owns 10% or more of the Operating Company), (ii) a cross default triggered by a default under the Credit Facility and (iii) a prohibition against incurring additional indebtedness under a separate credit facility. In addition, an event of default will result from a "Collateral Administrator Termination Event", which is defined to include, without limitation, the following events: (i) failure of the collateral administrator to make payments into the collection account or to perform certain covenants in the transaction documents related to the SLF Credit Facility; (ii) insolvency of the collateral administrator; (iii) the occurrence of any change determined to have a material adverse effect with respect to the collateral administrator; and (iv) a change of control of the collateral administrator. Following an event of default under the SLF Credit Facility, the administrative agent may declare outstanding amounts immediately due and payable in full. Certain covenants may restrict our business activities, including limitations that could hinder our ability to finance additional loans and investments. See "Risk Factors — Risks Related to Our Business — If the SLF is unable to comply with the covenants or restrictions in the SLF Credit Facility, our business could be materially adversely affected". The debt under the SLF Credit Facility is non-recourse to New Mountain Finance and the Operating Company.

Borrowings

Borrowings of $59.7 million and $77.7 million were outstanding as of December 31, 2010 and December 31, 2009, respectively, under the Predecessor Credit Facility. No borrowings were outstanding under the Predecessor Credit Facility as of December 31, 2008 because the Predecessor Credit Facility was not in place as of December 31, 2008. See "— Liquidity and Capital Resources — Credit Facilities" for a description of the Credit Facility and the Predecessor Credit Facility.

Borrowings of $56.9 million were outstanding as of December 31, 2010 under the SLF Credit Facility. No borrowings were outstanding under the SLF Credit Facility as of December 31, 2009 or December 31, 2008 because the SLF Credit Facility was not in place as of December 31, 2009 or December 31, 2008. See "— Liquidity and Capital Resources — Credit Facilities" for a description of the SLF Credit Facility.

Inflation

Inflation has not had a significant effect on the Operating Company's results of operations in any of the reporting periods presented in its financial statements. However, our portfolio companies have and may continue to experience the impact of inflation on their operating results.

Off-Balance Sheet Arrangements

The Operating Company may become a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized in the balance sheet. As of December 31, 2010, December 31, 2009 and December 31, 2008, the Operating Company had outstanding commitments to fund investments totaling $12.2 million, $27.2 million and $5.4 million, respectively, under various undrawn revolving credit and other credit facilities.

Contractual Obligations

	Payments Due by Period (in millions)				
	Total	Less Than 1 Year	1 - 3 Years	3-5 Years	More Than 5 Years
Predecessor Credit Facility(1)	$ 59.7	$ —	$ —	$ 59.7	$ —
SLF Credit Facility(2)	56.9	—	—	56.9	—
Total Contractual Obligations	$ 116.6	$ —	$ —	$ 116.6	$ —

(1) Under the terms of the $120.0 million Predecessor Credit Facility, all outstanding borrowings under that facility ($59.7 million as of December 31, 2010) were required to be repaid on or before October 21, 2014, but the amended and restated $160 million Credit Facility must be repaid on or before October 21, 2015. As of December 31, 2010, there was approximately $60.3 million of possible capacity remaining under the Predecessor Credit Facility.

(2) Under the terms of the $150.0 million SLF Credit Facility, all outstanding borrowings under that facility ($56.9 million as of December 31, 2010) must be repaid on or before October 27, 2015. As of December 31, 2010, there was approximately $43.1 million of possible capacity remaining under the SLF Credit Facility.

The Operating Company has certain contracts under which it has material future commitments. The Operating Company has $12.2 million of undrawn funding commitments as of December 31, 2010 related to its participation as a lender in revolving credit facilities of our portfolio companies. See "Portfolio Companies".

The Operating Company has entered into the Investment Management Agreement with the Investment Adviser in accordance with the 1940 Act. The Investment Management Agreement will become effective upon the closing of this offering. Under the Investment Management Agreement, the Investment Adviser has agreed to provide the Operating Company with investment advisory and management services. The Operating Company has agreed to pay for these services (1) a management fee equal to a percentage of the value of its gross assets and (2) an incentive fee based on its performance. See "Investment Management Agreement — Overview of the Investment Adviser — Management Fee".

New Mountain Finance and the Operating Company have also entered into an Administration Agreement with the Administrator. The Administration Agreement will become effective upon the closing of this offering. Under the Administration Agreement, the Administrator has agreed to arrange office facilities for New Mountain Finance and the Operating Company and provide New Mountain Finance and the Operating Company with office equipment and clerical, bookkeeping and record keeping services and other administrative services necessary to conduct their respective day-to-day operations. See "Administration Agreement".

If any of the contractual obligations discussed above are terminated, New Mountain Finance's costs or the Operating Company's costs under any new agreements that are entered into may increase. In addition, New Mountain Finance or the Operating Company would likely incur significant time and expense in locating alternative parties to provide the services the Operating Company expects to receive under the Investment Management Agreement and New Mountain Finance and the Operating Company the Administration Agreement. Any new investment management agreement with the Operating Company would also be subject to approval by its members.

Upon the completion of this offering, our existing management agreement will terminate with no continuing payment or other obligations on the part of either party.

Related Parties

New Mountain Finance and the Operating Company have entered into a number of business relationships with affiliated or related parties, including the following:

- The Operating Company has entered into an Investment Management Agreement with the Investment Adviser.
- The Administrator arranges office space for New Mountain Finance and the Operating Company and provides New Mountain Finance and the Operating Company with office equipment and administrative services necessary to conduct their respective day-to-day operations pursuant to the Administration Agreement. The Operating Company reimburses the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions, and the compensation of New Mountain Finance's and the Operating Company's chief financial officer and chief compliance officer and their respective staffs.
- New Mountain Finance and the Operating Company have entered into a royalty-free license agreement with New Mountain, pursuant to which New Mountain has agreed to grant New Mountain Finance and the Operating Company a non-exclusive, royalty-free license to use the name "New Mountain".

The Investment Adviser and its affiliates may also manage other funds in the future that may have investment mandates that are similar, in whole and in part, with the Operating Company's. The Investment Adviser and its affiliates may determine that an investment is appropriate for the Operating Company and for one or more of those other funds. In such event, depending on the availability of such investment and other appropriate factors, the Investment Adviser or its affiliates may determine that we should invest side-by-side with one or more other funds. Any such investments will be made only to the extent permitted by applicable law and interpretive positions of the SEC and its staff, and consistent with the Investment Adviser's allocation procedures.

In addition, New Mountain Finance and the Operating Company have adopted a formal code of ethics that governs the conduct of their respective officers and directors. These officers and directors also remain subject to the duties imposed by both the 1940 Act and the Delaware General Corporation Law and the Delaware Limited Liability Company Act.

Quantitative and Qualitative Disclosure About Market Risk

New Mountain Finance and the Operating Company are subject to financial market risks, including changes in interest rates. During the period covered by the Operating Company's historical financial statements, many of the loans in our portfolio had floating interest rates, and we expect that our loans in the future will also have floating interest rates. These loans are usually based on a floating LIBOR and typically have interest rate re-set provisions that adjust applicable interest rates under such loans to current market rates on a quarterly or monthly basis. In addition, the Credit Facility and the SLF Credit Facility have a floating interest rate provision based on LIBOR, and the Operating Company expects that any other credit facilities into which it enters in the future may have floating interest rate provisions.

Assuming that the balance sheet as of the periods covered by this analysis were to remain constant and that neither New Mountain Finance nor the Operating Company took any actions to alter their existing interest rate sensitivity, a hypothetical immediate 1% change in interest rates may affect net income by more than 1% over a one-year horizon. Although we believe that this analysis is indicative of the existing sensitivity to interest rate changes, it does not adjust for changes in the credit market, credit quality, the size and composition of the assets in our portfolio and other business developments, including borrowing under the Credit Facility or other borrowing, that could

affect net increase in net assets resulting from operations, or net income. Accordingly, we can offer no assurance that actual results would not differ materially from the statement above.

The Operating Company may in the future hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts. While hedging activities may insulate us against adverse changes in interest rates, they may also limit the Operating Company's ability to participate in the benefits of lower interest rates with respect to the investments in our portfolio with fixed interest rates.

Recent Accounting Pronouncements

In January 2010, the FASB issued Accounting Standards Update No. 2010-06 ("ASU 2010-06"), *Improving Disclosures about Fair Value Measurements*, which, among other things, amends ASC 820-10 to require entities to separately present purchases, sales, issuances, and settlements in their reconciliation of Level III fair value measurements (*i.e.*, to present such items on a gross basis rather than on a net basis), and which clarifies existing disclosure requirements provided by ASC 820-10 regarding the level of disaggregation and the inputs and valuation techniques used to measure fair value for measurements that fall within either Level II or Level III of the fair value hierarchy. ASU 2010-06 is effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level III fair value measurements (which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years).

SENIOR SECURITIES

Information about the Operating Company's senior securities is shown in the following table as of December 31, 2010 and 2009. Deloitte & Touche, LLP's report on this senior securities table is attached as an exhibit to the registration statement of which this prospectus is a part.

Class and Year	Total Amount Outstanding Exclusive of Treasury Securities(1) (in millions)	Asset Coverage Per Unit(2)	Involuntary Liquidating Preference Per Unit(3)	Average Market Value Per Unit(4)
New Mountain Guardian (Leveraged), L.L.C. Credit Agreement				
Calendar 2010(5)				
Credit Facility	$ 59.7	$ 3,074	$ —	N/A
SLF Credit Facility	53.3	3,074	—	N/A
Calendar 2009				
Credit Facility	75.7	4,080	—	N/A
New Mountain Guardian Partners, L.P. Credit Agreement				
Calendar 2010(6)				
Credit Facility	—	N/A	—	N/A
SLF Credit Facility	3.6	3,074	—	N/A
Calendar 2009				
Credit Facility	2.0	4,080	—	N/A

(1) Total amount of each class of senior securities outstanding at the end of the period presented.

(2) Asset coverage per unit is the ratio of the carrying value of our total assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per $1,000 of indebtedness taking into account both the Predecessor Credit Facility and the SLF Credit Facility and is presented on a combined basis as if the assets of New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P. would be available to satisfy the liabilities of either or both of the individual entities.

(3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The "—" in this column indicates that the SEC expressly does not require this information to be disclosed for certain types of senior securities.

(4) Not applicable because the senior securities are not registered for public trading.

(5) As of December 31, 2010, there was approximately $52.8 million and $40.45 million of possible capacity remaining under the Predecessor Credit Facility and the SLF Credit Facility, respectively. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Liquidity and Capital Resources — Credit Facilities".

(6) As of December 31, 2010, there was approximately $7.5 million and $2.65 million of possible capacity remaining under the Predecessor Credit Facility and the SLF Credit Facility, respectively. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Liquidity and Capital Resources — Credit Facilities".

BUSINESS

The Company

New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company, the operating company for our business. The Operating Company will be an externally managed business development company, which, prior to the completion of this offering, will own all of the operations of the Predecessor Entities existing immediately prior to the formation transactions, including all of the assets and liabilities related to such operations. Following the completion of this offering, New Mountain Finance will own approximately 36.4%, and Guardian AIV will indirectly own through AIV Holdings approximately 63.6%, of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares.

Our investment strategy, developed by the Investment Adviser, is to invest through the Operating Company primarily in the debt of what the Investment Adviser believes are defensive growth companies, which are defined as generally exhibiting the following characteristics: (i) sustainable secular growth drivers, (ii) high barriers to competitive entry, (iii) high free cash flow after capital expenditure and working capital needs, (iv) high returns on assets and (v) opportunities for niche market dominance. The Investment Adviser, through its relationship with New Mountain, already has access to proprietary research and operating insights into many of the companies and industries that meet this template.

The Operating Company will be externally managed by the Investment Adviser, a wholly-owned subsidiary of New Mountain, a private equity firm with a track record of investing in the middle market and with assets under management (which includes amounts committed, not all of which have been drawn down and invested to date) totaling more than $9.0 billion as of December 31, 2010. New Mountain focuses on investing in defensive growth companies across its private equity, public equity and credit investment vehicles. The Operating Company was formed as a subsidiary of Guardian AIV by New Mountain in October 2008. Guardian AIV was formed through an allocation of approximately $300 million of the $5.1 billion of commitments supporting Fund III, a private equity fund managed by New Mountain, and in February 2009 New Mountain formed a co-investment vehicle, Guardian Partners, comprising $20.4 million of commitments.

Since the commencement of the Predecessor Entities' operations in October 2008 through December 31, 2010, approximately $664.1 million has been invested in 61 companies and total realized and unrealized gains and investment income of approximately $193.6 million have been earned with an average holding period of eight months. Going forward, we intend to invest primarily in debt securities that are rated below investment grade and have unlevered yields of 10% to 15%.[1] However, there can be no assurance that targeted returns will be achieved on our investments as they are subject to risks, uncertainties and other factors, some of which are beyond our control, which may lead to non payment of interest and principal. See "Risk Factors — Risks Relating to Our Investments".

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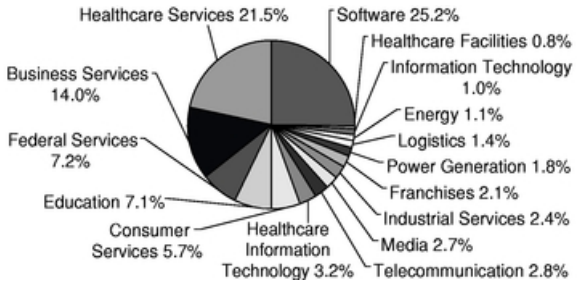
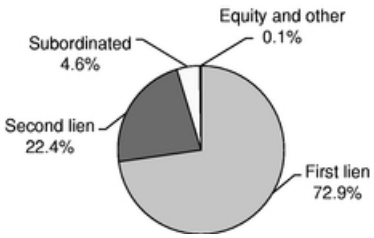
(1) For this purpose, the equity of the SLF, which has debt that is non-recourse to the Operating Company, is treated as an asset of the Operating Company.

The following charts summarize our portfolio mix by industry and type based on the fair value [(1)] of our investments as of December 31, 2010.

By Industry



By Type of Investment



(1) The fair value of our portfolio was determined as of December 31, 2010 using market quotations if readily available, indicative prices from pricing services or brokers or dealers if market quotations are not readily available, or independent valuation firms at least once annually if a materiality threshold is met and neither the market quotations nor indicative prices are readily available.

As of December 31, 2010, our portfolio had a fair value of approximately $441.1 million in 43 portfolio companies and had a weighted average Yield to Maturity of approximately 12.5%. For purposes of this prospectus, references to "Yield to Maturity" assume that the investments in our portfolio as of a certain date, the "Portfolio Date", are purchased at fair value on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. These references also assume that unfunded revolvers remain undrawn. Interest income is assumed to be received quarterly for all debt securities. For floating rate debt securities, the interest rate is calculated by adding the spread to the projected three-month LIBOR at each respective quarter, which is determined based on the forward three-month LIBOR curve per Bloomberg as of the Portfolio Date. This calculation excludes the impact of existing leverage, except for the non-recourse debt of SLF. SLF is treated as a fully levered asset of the Operating Company, with SLF's net asset value being included for yield calculation purposes. As of December 31, 2010, our portfolio had a weighted average Unadjusted Yield to Maturity of 10.6%. For purposes of this prospectus, references to "Unadjusted Yield to Maturity" have the same assumptions as Yield to Maturity, except that SLF is not treated as a fully levered asset of the Operating Company, and the assets of SLF are consolidated into the Operating Company. The actual yield to maturity may be higher or lower due to the future selection of LIBOR contracts by the individual companies in our portfolio or other factors. Since inception, the Predecessor Entities have not experienced any payment defaults or credit losses on our portfolio investments.

We intend to find and analyze investment opportunities by utilizing the experience of the Investment Adviser's investment professionals. Business and industry due diligence on a targeted investment opportunity is led by a team of investment professionals at the Investment Adviser that generally consists of three to seven individuals, typically based on their relevant company and/or industry specific knowledge, drawn from New Mountain's deep pool, which as of December 31, 2010 included approximately 86 staff members, including approximately 53 investment professionals (including 14 managing directors and 13 senior advisers) as well as 14 finance and operational professionals. This is generally the same team structure and due diligence process that is used to underwrite an acquisition of an entire company by New Mountain's private equity fund. Key elements of the team's underwriting process include determining the attractiveness of the target's business model and developing a forecast of its likely operating and financial performance. Team members have diverse backgrounds in investment management, investment banking, consulting and operations. We believe the presence within New Mountain of numerous former CEOs and other senior operating executives, and their active involvement in our underwriting process, combined with New Mountain's experience as a majority stockholder owning and directing a wide range of

businesses and overseeing operating companies in the same or related industries, is a key differentiator for us versus typical debt investment vehicles.

We expect to primarily target loans to, and invest in, U.S. middle market businesses, a market segment we believe will continue to be underserved by other lenders. We define middle market businesses as those businesses with annual EBITDA between $20 million and $200 million. We expect to make investments through both primary originations and open-market secondary purchases. Our investment objective is to generate current income and capital appreciation through investments in debt securities at all levels of the capital structure, including first and second lien debt, unsecured notes and mezzanine securities, which we refer to as "Target Securities". We intend to invest primarily in debt securities that are rated below investment grade and that typically have maturities of between five and ten years. We believe our focus on investment opportunities with contractual current interest payments should allow us to provide New Mountain Finance stockholders with consistent dividend distributions and attractive risk adjusted total returns. Our investments may also include equity interests such as preferred stock, common stock, warrants or options received in connection with our debt investments. In some cases, we may invest directly in the equity of private companies. Our investments are intended to generally range in size between $10 million and $50 million, although this investment size may vary proportionately as the size of the Operating Company's capital base changes. From time to time, we may also invest through the Operating Company in other types of investments, which are not our primary focus, to enhance the overall return of the portfolio. These investments may include, but are not limited to, distressed debt and related opportunities.

Prior to the completion of this offering, the Operating Company will become a party to the Credit Facility pursuant to a secured credit agreement with Wells Fargo Bank, N.A. The Credit Facility, which matures on October 21, 2015, provides for potential borrowings up to $160 million. Unlike many credit facilities for business development companies, the amount available under the Credit Facility is not subject to reduction as a result of mark to market fluctuations in our portfolio investments. Under the terms of the Credit Facility, the Operating Company is permitted to borrow up to 45.0% or 25.0% of the purchase price of pledged first lien debt securities or non-first lien debt securities, respectively, subject to approval by Wells Fargo Bank, N.A. and borrowings currently bear interest at an annual rate of one month LIBOR plus a margin of 3.0%. As of December 31, 2010, $59.7 million was outstanding under the Predecessor Credit Facility. Borrowings have been used under the Predecessor Credit Facility to purchase the senior secured loans and bonds that constitute a portion of our current portfolio.

The Operating Company expects to continue to finance our investments using both debt and equity, including proceeds from equity issued by New Mountain Finance, which will be contributed to the Operating Company.

On October 7, 2010, the Predecessor Entities formed SLF, an entity that invests in first lien debt securities. SLF is a party to the SLF Credit Facility pursuant to a secured revolving credit agreement with a maximum availability of $150 million and with the Operating Company as the Collateral Administrator, Wells Fargo Securities, LLC as the Administrative Agent and Wells Fargo Bank, National Association, as the Collateral Custodian. The debt under the SLF Credit Facility is non-recourse to the Operating Company and has a maturity date of October 27, 2015. Under the terms of this credit facility, SLF is permitted to borrow up to 67.0% of the purchase price of pledged debt securities subject to approval by Wells Fargo Bank, N.A. and borrowings currently bear interest at an annual rate of LIBOR plus a margin of 2.25%. As of December 31, 2010, $56.9 million was outstanding under the SLF Credit Facility. In conjunction with the SLF Credit Facility, the Predecessor Entities made an equity investment in SLF, and the Operating Company may continue to make additional equity investments. SLF is consolidated on the financial statements of the Predecessor Entities.

For a detailed discussion of the Credit Facility and the SLF Credit Facility, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Liquidity and Capital Resources."

New Mountain

New Mountain manages private equity, public equity and debt investments with aggregate assets under management (which includes amounts committed, not all of which have been drawn down and invested to date) totaling more than $9.0 billion as of December 31, 2010.

New Mountain's first private equity fund, the $770 million New Mountain Partners, L.P., or "Fund I", began its investment period in January 2000. New Mountain's second private equity fund, the $1.6 billion New Mountain Partners II, L.P., or "Fund II", began its investment period in January 2005. New Mountain's third private equity fund, Fund III, with over $5.1 billion of aggregate commitments, began its investment period in August 2007. New Mountain manages public equity portfolios of approximately $1.7 billion through New Mountain Vantage Advisers, L.L.C., which is designed to apply New Mountain's established strengths toward non-control positions in the U.S. public equity markets generally. New Mountain manages its debt portfolio through the Operating Company, and the Operating Company is currently New Mountain's only vehicle focused primarily on investing in the Target Securities.

New Mountain's mission is to be "best in class" in the new generation of investment managers as measured by returns, control of risk, service to investors and the quality of the businesses in which New Mountain invests. All of New Mountain's efforts emphasize intensive fundamental research and the proactive creation of proprietary investment advantages in carefully selected industry sectors. New Mountain is a generalist firm but has developed particular competitive advantages in what New Mountain believes to be particularly attractive sectors, such as education, healthcare, logistics, business and industrial services, federal IT services, media, software, insurance, consumer products, financial services and technology, infrastructure and energy. New Mountain is focused on systematically establishing expertise in new sectors in which it believes it will have a competitive advantage over time.

In 2004 and 2007, New Mountain was named "North American Mid-Market Firm of the Year" by Private Equity International. New Mountain has also consistently been named a finalist for "Buyout Firm of the Year" by Buyouts Magazine, having been named one of four finalists for 2009 and 2008 and one of five finalists in 2007. To date, New Mountain has never experienced a bankruptcy of any of its portfolio companies in its private equity efforts or efforts with respect to the Predecessor Entities' business.

The Investment Adviser

New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company. The Operating Company will be externally managed and advised by the Investment Adviser, a wholly-owned subsidiary of New Mountain. The Investment Adviser will manage the Operating Company's day-to-day operations and provide it with investment advisory and management services. In particular, the Investment Adviser will be responsible for identifying attractive investment opportunities, conducting research and due diligence on prospective investments, structuring our investments and monitoring and servicing our investments. Neither New Mountain Finance nor the Operating Company currently has or will have any employees. As of December 31, 2010, the Investment Adviser was supported by approximately 86 New Mountain staff members, including approximately 53 investment professionals (including 14 managing directors and 13 senior advisers) as well as 14 finance and operational professionals. These individuals will allocate a portion of their time in support of the Investment Adviser based on their particular expertise as it relates to a potential investment opportunity.

The Investment Adviser has an investment committee comprised of five members, including Steven Klinsky, Robert Hamwee, Adam Collins, Doug Londal and Alok Singh. The investment committee will be responsible for approving all of our investments above $5 million. The investment committee will also monitor investments in our portfolio and approve all asset dispositions above $5 million. Investments and dispositions below $5 million may be approved by the Operating Company's Chief Executive Officer. These approval thresholds may change over time. We expect to benefit from the extensive and varied relevant experience of the investment professionals serving on the Investment Adviser's investment committee, which includes expertise in private equity, primary and secondary leveraged credit, private mezzanine finance and distressed debt.

Competitive Advantages

We believe that we have the following competitive advantages over other capital providers to middle market companies:

Proven and Differentiated Investment Style With Areas of Deep Industry Knowledge

In making its investment decisions, the Investment Adviser intends to apply New Mountain's long-standing, consistent investment approach that has been in place since its founding more than 10 years ago. We expect to focus on companies in less well followed defensive growth niches of the middle market space where we believe few debt funds have built equivalent research and operational size and scale. The Investment Adviser has a particular emphasis on middle market companies where it believes research scale is often most difficult to achieve, debt financing terms may be most attractive and debt market opportunities may be greatest.

We expect to benefit directly from New Mountain's private equity investment strategy that seeks to identify attractive investment sectors from the top down and then works to become a well positioned investor in these sectors. New Mountain focuses on companies and end markets with sustainable strengths in all economic cycles, particularly ones that are defensive in nature, that are non-cyclical and can maintain pricing power in the midst of a recessionary and/or inflationary environment. New Mountain focuses on companies within sectors in which it has significant expertise (examples include federal services, software, education, niche healthcare, business services, energy and logistics) while typically avoiding investments in companies with end markets that are highly cyclical, face secular headwinds, are overly-dependent on consumer demand or are commodity-like in nature.

In making its investment decisions, the Investment Adviser has adopted the approach of New Mountain, which is based on three primary investment principles:

1. A generalist approach, combined with proactive pursuit of the highest quality opportunities within carefully selected industries, identified via an intensive and structured ongoing research process;

2. Emphasis on strong downside protection and strict risk controls; and

3. Continued search for superior risk adjusted returns, combined with timely, intelligent exits and outstanding return performance.

Established Team and Platform

The Investment Adviser's investment professionals are actively involved in the underwriting of debt investments and are responsible for the diligence and monitoring of the credits. We believe these investment professionals provide the Investment Adviser with a competitive advantage in identifying, investing in and monitoring our investments. The Investment Adviser also has access to teams of operating managers at New Mountain's private equity portfolio companies, consultants on retainer, legal and accounting teams, a management advisory board, directors at portfolio companies and others. We believe the quality and depth of the Investment Adviser's investment professionals distinguishes us from other debt investment funds of similar target investment size.

Many of the debt investments that we have made to date have been in the same companies with which New Mountain has already conducted months of intensive acquisition due diligence related to potential private equity investments. We believe that private equity underwriting due diligence is usually more robust than typical due diligence for loan underwriting. In its underwriting of debt investments, the Investment Adviser is able to utilize the research and hands-on operating experience that New Mountain's private equity underwriting teams possess regarding the individual companies and industries. Additionally, the Investment Adviser is also able to utilize its relationships with operating management teams and other private equity sponsors. We believe this will differentiate us from many of our competitors.

Experienced Management Team

The Investment Adviser's team members have extensive experience in the leveraged lending space. For example, Steven Klinsky, New Mountain's Founder and Chief Executive Officer, was a general partner of a manager of debt and equity funds, totaling multiple billions of dollars at Forstmann Little & Co. in the 1980s and 1990s. He was also a co-founder of Goldman, Sachs & Co.'s Leverage Buyout Group in the period from 1981 to 1984. Robert Hamwee, Managing Director of New Mountain, was formerly President of GSC Group, Inc., or "GSC", where he was the portfolio manager of GSC's distressed debt funds and led the development of GSC's CLOs. Doug Londal, Managing Director of New Mountain, was previously co-head of Goldman, Sachs & Co.'s U.S. mezzanine debt team. Alok Singh, Managing Director of New Mountain, has extensive experience structuring debt products as a long-time partner at Bankers Trust Company.

Significant Sourcing Capabilities and Relationships

We believe the Investment Adviser's ability to source attractive investment opportunities is greatly aided by both New Mountain's historical and current reviews of private equity opportunities in the business segments we target. To date, a significant majority of the investments we have made through the Operating Company are in the debt of companies and industry sectors that were first identified and reviewed in connection with New Mountain's private equity efforts, and the majority of our current pipeline reflects this as well. Furthermore, the Investment Adviser's investment professionals have deep and longstanding relationships in both the private equity sponsor community and the lending/agenting community which they have and will continue to utilize to generate investment opportunities.

Risk Management through Various Cycles

New Mountain has emphasized tight control of risk since its inception and long before the recent global financial distress began. To date, New Mountain has never experienced a bankruptcy of any of its portfolio companies in its private equity efforts or efforts with respect to the Predecessor Entities' business. The Investment Adviser will seek to emphasize tight control of risk with our investments in several important ways, consistent with New Mountain's historical approach. In particular, the Investment Adviser intends to:

- Emphasize the origination or purchase of debt in what the Investment Adviser believes are defensive growth companies, which are less likely to be dependent on macro-economic cycles;
- Target investments in companies that are preeminent market leaders in their own industries, and when possible, investments in companies that have strong management teams whose skills are difficult for competitors to acquire or reproduce; and
- Emphasize capital structure seniority in the Investment Adviser's underwriting process.

Access to Non Mark to Market, Seasoned Leverage Facility

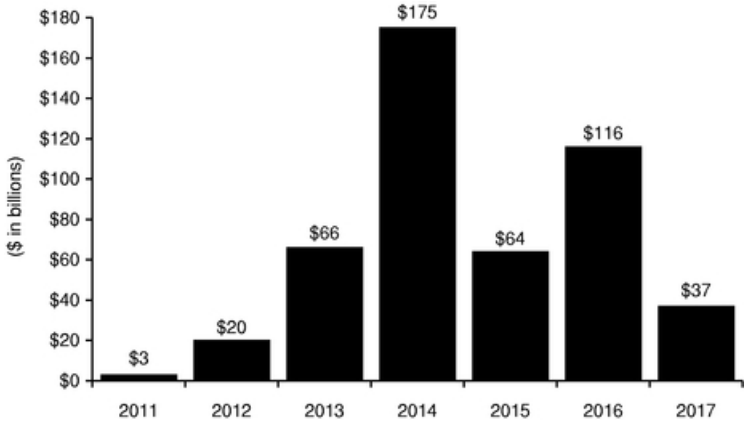
We believe the Operating Company's existing credit facility and the SLF Credit Facility provide us with a substantial amount of capital for deployment into new investment opportunities. In addition, unlike many credit facilities for business development companies, the amount available under the Credit Facility is not subject to reduction as a result of mark to market fluctuations in our portfolio investments. Since October 2009, leverage has been used to increase return on equity, and the Operating Company and SLF intend to continue to use leverage after the completion of this offering, subject to the restrictions on leverage under the 1940 Act. The Credit Facility, pursuant to which the Operating Company is able to borrow up to $160 million, matures on October 21, 2015. The SLF Credit Facility, pursuant to which SLF is able to borrow up to $150 million, matures on October 27, 2015. For a detailed discussion of the Credit Facility and the SLF Credit Facility, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Liquidity and Capital Resources — Credit Facilities".

Market Opportunity

We believe that the size of the market for Target Securities, coupled with the demands of middle market companies for flexible sources of capital at competitive terms and rates, create an attractive investment environment for us.

- *The leverage finance market has a high level of financing needs over the next several years due to significant bank debt maturities.* We believe that the large dollar volume of loans that need to be refinanced will present attractive opportunities to invest capital in a manner consistent with our stated objectives.

Outstanding Loans by Year of Maturity

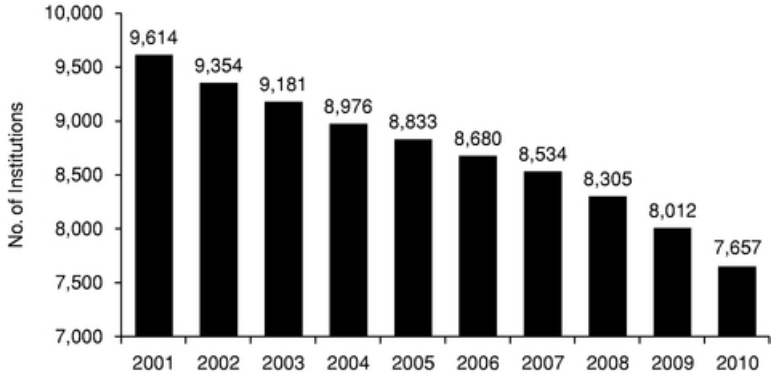


Data obtained from industry sources.
Note: Data as of December 31, 2010.

- *Middle market companies continue to face difficulties in accessing the capital markets.* We believe opportunities to serve the middle market will continue to exist. While many middle market companies were formerly able to raise funds by issuing high-yield bonds, we believe this approach to financing has become more difficult in recent years as institutional investors have sought to invest in larger, more liquid offerings. In addition, many private finance companies and hedge funds have reduced their middle market lending activities due to decreased availability of financing.

- *Consolidation among commercial banks has reduced the focus on middle market lending.* We believe that many traditional bank lenders to middle market businesses have either exited or de-emphasized their service and product offerings in the middle market. These traditional lenders have instead focused on lending and providing other services to large corporate clients. We believe this has resulted in fewer key players and the reduced availability of debt capital to the companies we target.

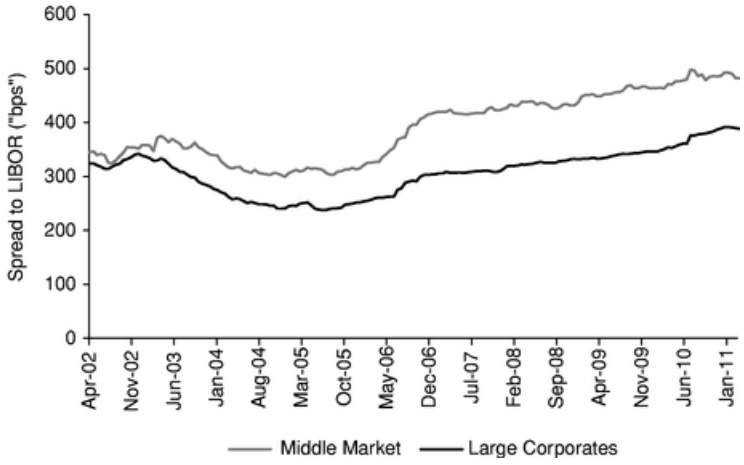
FDIC-Insured Institutions



Source: FDIC.
Note: Data as of December 31, 2010.

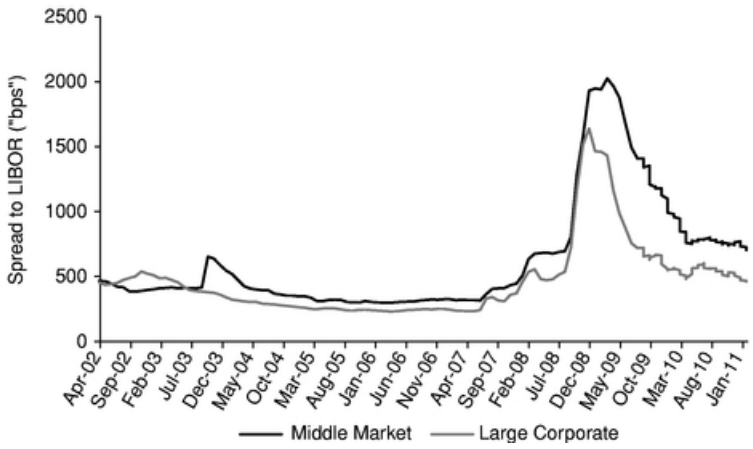
- *Attractive pricing.* Reduced access to, and availability of, debt capital typically increases the interest rates, or pricing, of loans for middle-market lenders. Recent primary debt transactions in this market typically have included meaningful upfront fees, prepayment protections and, in some cases, warrants to purchase common stock, all of which should enhance the profitability of new loans to lenders.

Average Nominal Spread of Leveraged Loans



Data obtained from industry sources.

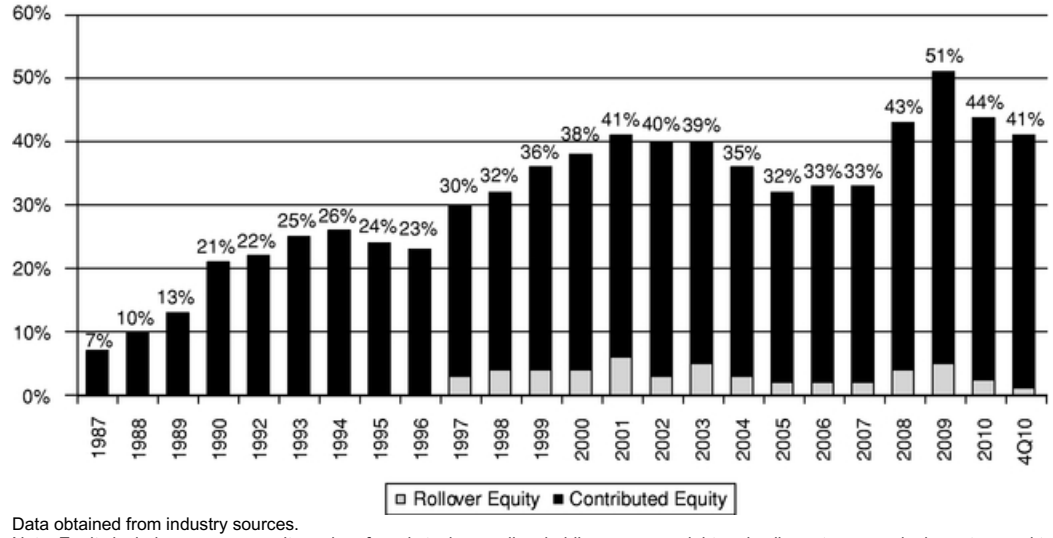
Average Discounted Spread of Leveraged Loans



Data obtained from industry sources.

- *Conservative deal structures.* As a result of the credit crisis, many lenders are requiring larger equity contributions from financial sponsors. Larger equity contributions create an enhanced margin of safety for lenders because leverage is a lower percentage of the implied enterprise value of the company.

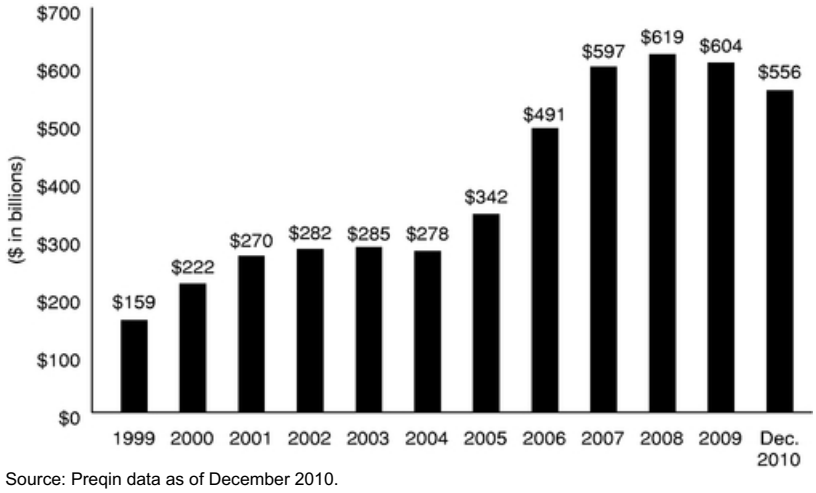
Average Equity Contribution to Leveraged Buyouts (1987 – 4Q10)



Data obtained from industry sources.
Note: Equity includes common equity and preferred stock as well as holding company debt and seller note proceeds downstreamed to the operating company as common equity. Rollover Equity prior to 1996 is not available. There were too few deals in 1991 to form a meaningful sample.

- *Large pool of uninvested private equity capital available for new buyouts.* We expect that private equity firms will continue to pursue acquisitions and will seek to leverage their equity investments with mezzanine loans and/or senior loans provided by companies such as ours.

North America Private Equity Available Capital



Source: Preqin data as of December 2010.

Investment Criteria

The investment professionals of the Investment Adviser have identified the following investment criteria and guidelines for use in evaluating prospective portfolio companies and they use these criteria and guidelines in evaluating investment opportunities for the Operating Company. However, not all of these criteria and guidelines were, or will be, met in connection with each of our investments.

- *Defensive growth industries.* The Operating Company seeks to invest in industries that can succeed in both robust and weak economic environments but which are also sufficiently large and growing to achieve high valuations providing enterprise value cushion for our targeted debt securities.

- *High barriers to competitive entry.* The Operating Company targets industries and companies that have well defined end-markets and well established, understandable barriers to competitive entry.

- *Recurring revenue.* Where possible, the Operating Company focuses on companies that have a high degree of predictability in future revenue. This recurring revenue can be a function of subscriptions, enrollments, "razor-blade" sales, maintenance arrangements, or other form of contractual relationships.

- *Flexible cost structure.* The Operating Company will seek to invest in businesses that have limited fixed costs and therefore modest operating leverage.

- *Strong free cash flow and high return on assets.* The Operating Company focuses on businesses with a demonstrated ability to produce meaningful free cash flow from operations. The Operating Company typically targets companies that are not asset intensive and that have minimal capital expenditure and minimal working capital growth needs.

- *Sustainable business and niche market dominance.* The Operating Company seeks to invest in businesses that exert niche market dominance in their industry and that have a demonstrated history of sustaining market leadership over time.

- *Established companies.* The Operating Company seeks to invest in established companies with sound historical financial performance. The Operating Company does not intend to invest in start-up companies or companies with speculative business plans.

- *Private equity sponsorship.* The Operating Company generally seeks to invest in companies in conjunction with private equity sponsors who it knows and trusts and who have proven capabilities in building value. We believe that a private equity sponsor can serve as a committed partner and potentially a meaningful source of future subordinated capital.

- *Seasoned management team.* The Operating Company generally will require that its portfolio companies have a seasoned management team with strong corporate governance. Oftentimes the Operating Company will have a historical relationship with or direct knowledge of key managers from previous investment experience.

Investment Selection and Process

The Investment Adviser believes it has developed a proven, consistent and replicable investment process to execute our investment strategy. The Investment Adviser seeks to identify the most attractive investment sectors from the top down and then works to become the most advantaged investor in these sectors. The steps in the Investment Adviser's process include:

Identifying attractive investment sectors top down: The Investment Adviser works continuously and in a variety of ways to proactively identify the most attractive sectors for investment opportunities. The investment professionals of the Investment Adviser participate in this process through both individual and group efforts, formal and informal. The Investment Adviser has also worked with consultants, investment bankers and public equity managers to supplement its internal analyses, although the prime driver of sector ideas has been the Investment Adviser itself.

Creating competitive advantages in the selected industry sectors: Once a sector has been identified, the Investment Adviser works to make itself the most advantaged and knowledgeable investor in that sector. An internal working team is assigned to each project. The team may spend months confirming the sector thesis and building the Investment Adviser's leadership in this sector. In general, the Investment Adviser seeks to construct proprietary databases and to utilize the best specialized industry consultants. The Investment Adviser particularly stresses the establishment of close relationships with operating managers in each field in order to gain the deepest possible level of understanding. When advisable, industry executives have been placed on New Mountain's Management Advisory Board or have been hired on salary as "executives in residence". When the Investment Adviser considers specific investment ideas in its chosen sectors, it can triangulate its own views against the views of its management relationships, consultants, brokers, bankers and others. The Investment Adviser believes this multi-front analysis leads to strong decision making and company identification. The Investment Adviser also believes that its "flexible specialization" approach gives the Operating Company all the benefits of a narrow-based sector fund without forcing the Operating Company to invest in any industry sector at an inappropriate time for that sector. The Investment Adviser can also become a leading investment expert in lesser known or smaller sectors that would not support an entire fund dedicated solely to them.

Targeting companies with leading market share and attractive business models in its chosen sectors: The Investment Adviser, consistent with New Mountain's historical approach, typically follows a "good to great" approach, seeking to invest in debt securities of companies in its chosen sectors that it believes are already safe and successful but where the Investment Adviser sees an opportunity for further increases in enterprise value due to special circumstances existing at the time of the financing or through value that a sponsor can add. The investment professionals

of the Investment Adviser have been successful in targeting companies with leading market shares, rapid growth, high free cash flows, high operating margins, high barriers to entry and which produce goods or services that are of value to their customers.

Utilizing this research platform, the Operating Company has largely invested in the debt of companies and industries that have been researched by New Mountain's private equity efforts. In many instances, the Operating Company has studied the specific debt issuer with which New Mountain has already conducted months of intensive acquisition due diligence related to a potential private equity investment. In other situations, while New Mountain may not have specifically analyzed the issuer in the past, the Operating Company has deep knowledge of the company's industry through New Mountain's private equity work. We expect the Investment Adviser to continue this approach in the future.

Beyond the foregoing, the investment professionals of the Investment Adviser have deep and longstanding relationships in both the private equity sponsor community and the lending/agenting community. The Operating Company has sourced and we expect the Operating Company to continue sourcing new investment opportunities from both private equity sponsors and other lenders and agents. In private equity, the Operating Company has strong, personal relationships with principals at a significant majority of relevant sponsors, and we expect that the Operating Company will continue to utilize those relationships to generate investment opportunities. In the same fashion, the Operating Company has an extensive relationship network with lenders and agents, including commercial banks, investment banks, loan funds, mezzanine funds and a wide range of smaller agents that seek debt capital on behalf of their clients. In addition to newly issued primary opportunities, the Operating Company has extensive experience in sourcing investment opportunities from the secondary market, and will continue to actively monitor that large, and often volatile, area for appropriate investment opportunities.

This team performs the core underwriting function to determine the attractiveness of the target's business model, focusing on the investment criteria described above. The team ultimately develops a forecast of a target's likely operating and financial performance. Team members have diverse backgrounds in investment management, investment banking, consulting, and operations. We believe the presence within New Mountain of numerous former CEOs and other senior operating executives, and their active involvement in the Operating Company's underwriting process, combined with New Mountain's experience as a majority stockholder owning and directing a wide range of businesses and overseeing operating companies in the same or related industries, is a key differentiator for us versus typical debt investment vehicles.

In addition to performing rigorous business due diligence, the Investment Adviser also thoroughly reviews and/or structures the relevant credit documentation, including bank credit agreements and bond indentures, to ensure that any securities the Operating Company invests in have appropriate credit rights, protections and remedies. There is a strong focus on appropriate covenant packages. This part of the process, as well as the determination of the appropriate price/yield parameters for individual securities, is led by Robert Hamwee and John Kline with significant input as needed from other professionals with extensive credit experience, such as Steven Klinsky, New Mountain's Founder and Chief Executive Officer, Doug Londal, a New Mountain Managing Director who was formerly co-head of Goldman, Sachs & Co.'s mezzanine debt group, Alok Singh, a New Mountain Managing Director who has extensive experience structuring debt products as a long-time partner at Bankers Trust Company, and others.

The Investment Committee

The Investment Adviser's investment committee currently consists of Steven Klinsky, Robert Hamwee, Adam Collins, Doug Londal and Alok Singh. The investment committee is responsible for

approving all of our investments above $5 million. The investment committee will also monitor investments in our portfolio and approve all asset dispositions above $5 million. Investments and dispositions below $5 million may be approved by the Operating Company's Chief Executive Officer. These approval thresholds may change over time. We expect to benefit from the extensive and varied relevant experience of the investment professionals serving on the Investment Adviser's investment committee, which includes expertise in private equity, primary and secondary leveraged credit, private mezzanine finance and distressed debt.

The purpose of the investment committee is to evaluate and approve as deemed appropriate all investments by the Investment Adviser, subject to certain thresholds. The committee process is intended to bring the diverse experience and perspectives of the committee's members to the analysis and consideration of every investment. The committee also serves to provide investment consistency and adherence to the Investment Adviser's investment philosophies and policies. The investment committee also determines appropriate investment sizing and suggests ongoing monitoring requirements.

Time permitting, the investment opportunity will also be brought before New Mountain in a process for discussion and analysis directly analogous to New Mountain's investment committee process to approve its private equity acquisitions. Recommendations come with specific size and price limits, and are subject to questions, comments and challenges from all members of New Mountain.

In addition to reviewing investments, the committee meetings serve as a forum to discuss credit views and outlooks. Potential transactions and investment opportunities are also reviewed on a regular basis. Members of the Operating Company's investment team are encouraged to share information and views on credits with the committee early in their analysis. This process improves the quality of the analysis and assists the deal team members to work more efficiently.

Investment Structure

We target debt investments that will yield meaningful current income and occasionally provide the opportunity for capital appreciation through equity securities. Our debt investments are typically structured with the maximum seniority and collateral that the Operating Company can reasonably obtain while seeking to achieve its total return target.

Debt Investments

The terms of our debt investments are tailored to the facts and circumstances of the transaction and prospective portfolio company and structured to protect our rights and manage our risk while creating incentives for the portfolio company to achieve its business plan. A substantial source of return is the cash interest that the Operating Company collects on our debt investments.

- **First Lien Loans and Bonds.** First lien loans and bonds generally have terms of four to seven years, provide for a variable or fixed interest rate, may contain prepayment penalties and are secured by a first priority security interest in all existing and future assets of the borrower.

- **Second Lien Loans and Bonds.** Second lien loans and bonds generally have terms of five to eight years, provide for a variable or fixed interest rate, typically contain prepayment penalties and are secured by a second priority security interest in all existing and future assets of the borrower. These second lien loans and bonds may include PIK interest, which represents contractual interest accrued and added to the principal that generally becomes due at maturity.

- **Unsecured Senior, Subordinated and "Mezzanine" Loans and Bonds.** Any unsecured investments are generally expected to have terms of five to ten years and provide for a fixed interest rate. Unsecured investments may include PIK interest, which represents contractual interest accrued and added to the principal that generally becomes due at maturity, and may have an equity component, such as warrants to purchase common stock in the portfolio company.

In addition, from time to time we may also enter into bridge or other commitments to provide future financing to a portfolio company.

Our debt investments are often structured to include covenants that seek to minimize our risk of capital loss. Our debt investments typically have strong protections, including default penalties, information rights, and a combination of affirmative, negative and financial covenants, such as lien protection and prohibitions against change of control. Our debt investments may have substantial prepayment penalties designed to extend the life of the average loan, which we believe will help the Operating Company to grow our portfolio.

The investments in our portfolio as of December 31, 2010, had a weighted average Creation Value Multiple of 3.8x. For purposes of this prospectus, "Creation Value Multiple" is calculated by dividing the "Creation Value" of the portfolio company by the trailing twelve month EBITDA as of September 30, 2010. Creation Value is defined as total debt, assuming par for debt senior to our security, fair value for our security, and no value for debt subordinated to our security, less total cash.

Equity Investments

When the Operating Company makes a debt investment, it may be granted equity in the company in the same class of security as the sponsor receives upon funding. In addition, the Operating Company may from time to time make non-control, equity co-investments in conjunction with private equity sponsors. The Operating Company generally seeks to structure our equity investments, such as direct equity co-investments, to provide it with minority rights provisions and event-driven put rights. The Operating Company also seeks to obtain limited registration rights in connection with these investments, which may include "piggyback" registration rights.

Monitoring

The Operating Company aggressively monitors the performance of each of our portfolio companies, consistently re-underwriting key business drivers and trends. The Operating Company attempts to identify any developments within the company, industry or macroeconomic environment that may alter any material element of our original investment thesis. The Operating Company monitors, on an ongoing basis, the financial trends of each portfolio company. The Operating Company has several methods of evaluating and monitoring the performance of our investments, including but not limited to, the following:

- review of monthly and quarterly financial statements and financial projections for portfolio companies;
- ongoing dialogue with and review of original diligence sources;
- periodic contact with portfolio company management (and, if appropriate the private equity sponsor) to discuss financial position, requirements and accomplishments; and
- assessment of business development success, including product development, profitability and the portfolio company's overall adherence to its business plan.

In addition to various risk management and monitoring tools, the Operating Company also uses an investment rating system to characterize and monitor the credit profile and expected level of returns on each investment in our portfolio. The Operating Company uses a four-level numeric rating scale. The following is a description of the conditions associated with each investment rating:

- Investment Rating 1 — Investment is performing above expectations;
- Investment Rating 2 — Investment is performing in-line with expectations. All new loans are rated 2 when approved;
- Investment Rating 3 — Investment is performing below expectations and risk has increased since the original investment; and
- Investment Rating 4 — Investment is performing substantially below expectations and risks have increased substantially since the original investment.

In the event that the Operating Company determines that an investment is underperforming, or circumstances suggest that the risk associated with a particular investment has significantly increased, the Operating Company will undertake more aggressive monitoring of the affected portfolio company.

The following table shows the distribution of our investments on the 1 to 4 investment rating scale at fair value as of December 31, 2010:

	Par Value(1)		Fair Value	
Type	**(in thousands)**	**% of Total**	**(in thousands)**	**% of Total**
1	89,839	19.3%	75,402	17.1%
2	375,142	80.7%	365,656	82.9%
3	—	0.0%	—	0.0%
4	—	0.0%	—	0.0%
Total	464,981	100.0%	441,058	100.0%

(1) Excludes shares and warrants.

Exit Strategies/Refinancing

We expect the Operating Company to exit our investments typically through one of four scenarios: (i) the sale of the company resulting in repayment of all outstanding debt, (ii) the recapitalization of the company in which our loan is replaced with debt or equity from a third party or parties, (iii) the repayment of the initial or remaining principal amount of our loan then outstanding at maturity or (iv) the sale of the debt investment. In some investments, there may be scheduled amortization of some portion of our loan which would result in a partial exit of our investment prior to the maturity of the loan.

Managerial Assistance

As a business development company, the Operating Company will offer, and must provide upon request, managerial assistance to our portfolio companies. This assistance could involve monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. The Administrator or its affiliate will provide such managerial assistance on the Operating Company's behalf to portfolio companies that request this assistance. The Operating Company may receive fees for these services and will reimburse the Administrator or

its affiliate for its allocated costs in providing such assistance, subject to the review and approval by the Operating Company's board of directors, including its independent directors.

Competition

We compete for investments with a number of business development companies and investment funds (including private equity funds), as well as traditional financial services companies such as commercial banks and other sources of financing. Many of these entities have greater financial and managerial resources than we do. We believe we are able to be competitive with these entities primarily on the basis of the experience and contacts of our management team, our responsive and efficient investment analysis and decision-making processes, the investment terms we offer, and our willingness to make smaller investments.

We believe that some of our competitors may make investments with interest rates and returns that are comparable to or lower than the rates and returns that we target. Therefore, we do not seek to compete solely on the interest rates and returns that we offer to potential portfolio companies. For additional information concerning the competitive risks we face, see "Risk Factors — Risks Relating to Our Business — We operate in a highly competitive market for investment opportunities and may not be able to compete effectively".

Employees

Neither New Mountain Finance nor the Operating Company has any employees. Day-to-day investment operations that will be conducted by the Operating Company will be managed by the Investment Adviser. See "Investment Management Agreement". The Investment Adviser may need to hire additional investment professionals, based upon its needs, subsequent to completion of this offering. In addition, the Operating Company will reimburse the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement, including the compensation of New Mountain Finance's and the Operating Company's chief financial officer and chief compliance officer, and their respective staffs. For a more detailed discussion of the Administration Agreement, see "Administration Agreement".

Properties

Our executive office is located at 787 7th Avenue, 48th Floor, New York, NY 10019. We believe that our current office facilities are adequate for our business as we intend to conduct it.

Legal Proceedings

New Mountain Finance, the Operating Company, the Investment Adviser and the Administrator are not currently subject to any material legal proceedings, although these entities may, from time to time, be involved in litigation arising out of operations in the normal course of business or otherwise.

PORTFOLIO COMPANIES

The following table sets forth certain information as of December 31, 2010, for each portfolio company in which we had a debt or equity investment. All of our current investments, as well as our future investments, will be held by the Operating Company following the completion of this offering. Other than these investments, our only formal relationships with our portfolio companies are the managerial assistance ancillary to our investments that the Operating Company may provide, if requested, and the board observation or participation rights the Operating Company may receive. We do not "control" nor are we an "affiliate" of any of our portfolio companies, each as defined in the 1940 Act. In general, under the 1940 Act, we would "control" a portfolio company if we owned more than 25% of its voting securities and would be an "affiliate" of a portfolio company if we owned five percent or more of its voting securities.

Name / Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Yield to Maturity(2)	% of Class Held	Par Amount	Cost of Investment	Fair Value
Airvana Network Solutions Inc. 19 Alpha Road Chelmsford, MA 01824	Software	First lien	11.00% (L + 900/Q)(7)	8/27/2014	11.6%	4.17%	11,833	11,613	11,892
Alion Science and Technology Corporation(5) 1750 Tysons Boulevard, Suite 1300 McLean, VA 22102	Federal Services	First lien Warrants	12.00% —	11/1/2014 —	11.4% 0.0%	1.95% N/A	6,073 —	5,393 293	6,273 284
Applied Systems, Inc. 200 Applied Parkway University Park, IL 60484	Software	Second lien	9.25% (L + 775/M)	6/8/2017	10.9%	1.14%	2,000	1,980	2,009
ATI Acquisition Company 6351 Boulevard 26, Suite 200 North Richland Hills, TX 76180	Education	First lien	8.25% (Base Rate + 599/Q)(6)(7)	12/30/2014	11.7%	2.86%	4,455	4,304	4,076
Attachmate Corporation, NetIQ Corporation 1500 Dexter Ave N. Seattle, WA 98109	Software	Second lien	7.04% (L + 675/Q)	10/13/2013	8.8%	8.82%	22,500	17,122	22,275
CHG Companies, Inc. 6440 South Millrock Drive, Suite 175 Salt Lake City, UT 84121	Healthcare Services	Second lien	11.25% (L + 950/Q)(7)	4/7/2017	13.1%	18.87%	10,000	9,804	9,900
Datatel, Inc. 4375 Fair Lakes Court Fairfax, VA 22033	Software	Second lien	10.25% (L + 825/Q)(7)	12/9/2016	11.1%	1.67%	2,000	1,964	2,043
Education Management LLC(4) 210 Sixth Avenue, 33rd Floor Pittsburgh, PA 15222	Education	First lien	—	6/1/2012	N/A	2.63%	3,000	(1,215)	(218)
First Data Corporation 5565 Glenridge Connector NE, Suite 2000 Atlanta, GA 30342	Business Services	First lien	3.01% (L + 275/M)	9/24/2014	7.0%	0.10%	10,646	7,932	9,842
Keypoint Government Solutions, Inc 1750 Foxtail Drive Loveland, CO 80538	Federal Services	First lien	10.00% (L + 800/Q)(7)	12/31/2015	11.5%	30.00%	18,000	17,640	17,730

Table of Contents

Name / Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Yield to Maturity(2)	% of Class Held	Par Amount	Cost of Investment	Fair Value
Kronos Incorporated(4) 297 Billerica Road Chelmsford, MA 01824	Software	First lien Second lien	— 6.05% (L + 575/Q)	6/11/2013 6/11/2015	N/A 8.6%	7.00% 1.89%	4,199 6,700	(630) 5,041	(346) 6,563
Learning Care Group (US), Inc.(5) 21333 Haggerty Rd., Suite 300 Novi, MI 48375	Education	First lien Subordinated Warrants	12.00% 15.00% —	4/27/2016 6/30/2016 —	12.8% 17.4% 0.0%	8.68% 5.15% N/A	17,368 2,832 —	17,058 2,610 194	17,193 2,630 194
LVI Services, Inc. 80 Broad Street, 3rd Floor New York, NY 10004	Industrial Services	First lien	9.25% (L + 750/Q)(7)	3/31/2014	16.4%	7.09%	5,163	4,304	4,388
Mach Gen, LLC(5) 9300 U.S. Highway 9W Athens, NY 12105	Power Generation	Second lien	7.79% (L + 750/Q)	2/22/2015	19.7%	0.92%	11,146	8,580	7,803
Managed Health Care Associates, Inc. 25-B Vreeland Road, Suite 300 Florham Park, NJ 07932	Healthcare Services	First lien Second lien	3.52% (L + 325/M) 6.77% (L + 650/M)	8/1/2014 2/1/2015	7.9% 12.6%	15.46% 15.79%	22,468 15,000	17,462 11,227	20,558 13,200
Merge Healthcare Inc. 6737 W. Washington St. Suite2250 Milwaukee, WI 53214	Healthcare Services	First lien	11.75%	5/1/2015	10.1%	5.64%	11,000	10,809	11,770
Merrill Communications LLC One Merrill Circle St. Paul, MN 55108	Business Services	First lien	8.50% (L + 650/M)(7)	12/22/2012	8.9%	2.97%	11,422	9,333	11,393
Ozburn-Hessey Holding Company LLC 7101 Executive Center Drive, Suite 333 Brentwood, TN 37027	Logistics	Second lien	10.50% (L + 850/Q)(7)	10/8/2016	11.9%	8.00%	6,000	5,875	5,985
Physiotherapy Associates, Inc./ Benchmark Medical, Inc. 855 Springdale Drive, Suite 200 Exton, PA 19341	Healthcare Facilities	First lien	7.50% (P + 425/Q)(7)	6/28/2013	10.7%	2.78%	3,823	3,063	3,594
PODS Holding Funding Corp.(5) 5585 Rio Vista Drive Clearwater, FL 33760	Consumer Services	Subordinated	16.64%	12/23/2015	21.1%	40.00%	11,664	10,137	10,117

Name / Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)	Maturity	Yield to Maturity(2)	% of Class Held	Par Amount	Cost of Investment	Fair Value
RGIS Services, LLC(4) 2000 East Taylor Rd. Auburn Hills, MI 48326	Business Services	First lien	2.80% (L + 250/Q)	4/30/2014	6.4%	1.58%	7,394	5,808	6,914
		First lien	—	4/30/2013	N/A	6.67%	5,000	(2,850)	(406)
SonicWALL, Inc. 2001 Logic Drive San Jose, CA 95124	Software	Second lien	12.00% (L + 1000/Q)(7)	1/23/2017	13.4%	9.52%	10,000	9,712	10,050
SSI Investments II Limited 107 Northeastern Blvd. Nashua, NH 03062	Education	Subordinated	11.13%	6/1/2018	9.8%	2.26%	7,000	7,065	7,630
Stratus Technologies, Inc. 111 Powdermill Road Maynard, MA 01754	Information Technology	First lien	12.00%	3/29/2015	18.4%	2.33%	5,000	4,797	4,225
		Ordinary shares	—	—	0.0%	N/A	—	47	45
		Preferred shares	—	—	0.0%	N/A	—	11	10
Sunquest Information Systems, Inc. 250 South Williams Blvd. Tucson, AZ 85711	Healthcare Services	Second lien	9.75% (L + 850/Q)(7)	6/16/2017	11.7%	3.67%	9,000	8,820	9,000
Trident Exploration Corp. 1000, 444 - 7 Avenue SW Calgary, Alberta T2P 0X8	Energy	First lien	12.50% (L + 950/Q)(7)	6/30/2014	10.9%	1.10%	4,478	4,357	4,746
Vertafore, Inc. 11724 NE 195th Street Bothell, WA 98011	Software	Second lien	9.75% (L + 825/Q)(7)	10/29/2017	11.4%	3.85%	10,000	9,901	10,106
Volume Services America, Inc. (Centerplate) 2187 Atlantic Street Stamford, CT 06902	Consumer Services	First lien	10.50% (Base Rate + 850/Q)(6)(7)	9/16/2016	11.6%	7.18%	14,963	14,528	15,056
Total SLF Portfolio Companies (see table below)	N/A	First lien	—	—	—	—	172,854	170,220	172,534
Total Combined Portfolio Companies(3)							464,981	414,309	441,058

Notes:

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to LIBOR (L) or the Prime Rate (P) and which resets quarterly (Q) or monthly (M). For each debt investment we have provided the current interest rate in effect as of December 31, 2010, or the LIBOR option if it is expected that the borrower will elect LIBOR financing at the next repricing date.

(2) Assumes that the investments in our portfolio as of a certain date, the Portfolio Date, are purchased at fair value on that date and held until their respective maturities with no prepayments or losses and are exited at par at maturity. Also assumes that unfunded revolvers remain undrawn. Interest income is assumed to be received quarterly for all debt securities. For floating rate debt securities, the interest rate is calculated by adding the spread to the projected three-month LIBOR at each respective quarter, which is determined based on the forward three-month LIBOR curve per Bloomberg as of the Portfolio Date. This calculation excludes the impact of existing leverage.

(3) As of March 31, 2011 and December 31, 2010, respectively, the fair value of our existing assets was estimated to exceed their adjusted tax basis for federal income tax purposes by approximately $31.4 million and $30.9 million (such excess is referred to herein as the "built-in gains"). The structure resulting from the formation transactions is designed to generally prevent any distributions made to New Mountain Finance's stockholders that are attributable to the built-in gains (determined as of the cut-off date) from being treated as taxable dividends. See "Material Federal Income Tax Considerations."

(4) Revolving credit facilities are fully undrawn.

(5) All or a portion of the interest can be deferred through PIK interest.

(6) The base rate and spread is a blended interest rate. The base rate is determined by reference to both LIBOR and Prime Rate.

(7) The investment has a LIBOR floor.

Set forth below is a brief description of each portfolio company in which we have made an investment that represents greater than 5% of the Operating Company's total assets as of December 31, 2010.

Managed Health Care Associates, Inc.

MHA is a provider of contract purchasing services to long-term care hospitals and other alternate site pharmacy markets. Members utilize MHA services to assist in the purchasing of a complete line of pharmaceuticals, medical supplies, capital equipment and nutritional food, as well as network access to the majority of the largest national and regional prescription drug plans managing the Medicare Part D drug benefit.

Attachmate Corporation, NetIQ Corporation

Attachmate is a leading provider of host connectivity solutions, including terminal emulation, application integration, and secure file transfer. Attachmate provides solutions for enterprise systems and application management, operational VMware management, and security and compliance management.

Learning Care Group (US), Inc.

Learning Care Group is a for-profit child care provider, offering early education and care services to children between the ages of 6 weeks and 12 years. Additionally, Learning Care has before and after school as well as summer camp programs for school age students. Learning Care operates under five different brand names, all of which have been established for over 20 years.

SENIOR LOAN FUNDING PORTFOLIO COMPANIES

The following table sets forth certain information as of December 31, 2010, for each portfolio company in which SLF had a debt investment. We do not "control" nor are we an "affiliate" of any of SLF's portfolio companies, each as defined in the 1940 Act. In general, under the 1940 Act, we would "control" a portfolio company if we owned more than 25% of its voting securities and would be an "affiliate" of a portfolio company if we owned five percent or more of its voting securities.

Name / Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)(4)	Maturity	% of Class Held	Par Amount	Cost of Investment	Fair Value
Aspen Dental Management, Inc. 5835 South Transit Road Lockport, NY 14094	Healthcare Services	First lien	7.75% (L + 600/Q)	10/6/2016	6.67%	12,968	12,713	13,016
Asurion, LLC 648 Grassmere Park, Suite 300 Nashville, TN 37211	Business Services	First lien	6.75% (L + 525/Q)	3/31/2015	1.44%	13,000	12,494	13,052
Bartlett Holdings, Inc. 60 Industrial Park Road Plymouth, MA 02360	Industrial Services	First lien	6.75% (L + 500/Q)	11/23/2016	6.19%	6,000	5,941	6,038
Brickman Group Holdings, Inc.(2) 375 South Flowers Mill Road Langhorne, PA 19047	Business Services	First lien	7.25% (L + 550/Q)	10/14/2016	0.55%	3,000	3,035	3,043
Decision Resources, LLC 8 Executive Mall Rd. Burlington, MA 01803	Business Services	First lien	7.00% (L + 550/Q)	12/28/2016	10.59%	18,000	17,730	17,820
Firefox Merger Sub, LLC (f/k/a Fibertech Networks, LLC) 300 Meridian Centre Rochester, NY 14618	Telecommunication	First lien	6.75% (L + 500/Q)	11/30/2016	5.11%	12,000	11,822	12,240
Focus Brands, Inc. 200 Glenridge Point Parkway, Suite 200 Atlanta, GA 30342	Franchises	First lien	7.25% (Base Rate + 550/Q)(3)	11/5/2016	3.64%	9,182	9,091	9,285
Hyland Software, Inc. 28500 Clemens Road Westlake, OH 44145	Software	First lien	6.75% (L + 500/Q)	12/19/2016	3.66%	7,500	7,425	7,528
LANDesk Software, Inc. 698 West 10000 South, Suite 500 South Jordan, UT 84095	Software	First lien	7.00% (L + 525/M)	3/28/2016	15.00%	15,000	14,702	14,719
Mailsouth, Inc. 5901 Highway 52 East Helena, AL 35080	Media	First Lien	6.75% (L + 500/S)	12/14/2016	10.91%	12,000	11,820	11,880
MLM Holdings, Inc. 108 Fuller Street Brookline, MA 02446	Software	First lien	7.00% (L + 525/Q)	12/1/2016	10.00%	14,962	14,740	14,775
Smile Brands Group, Inc. 201 East Sandpointe Santa Ana, CA 92707	Healthcare Services	First lien	7.00% (L + 525/Q)	12/21/2017	7.29%	17,500	17,238	17,391
SonicWALL, Inc.(2) 2001 Logic Dr. San Jose, CA 95124	Software	First lien	8.26% (Base Rate + 619/M)(3)	1/23/2016	3.23%	4,486	4,508	4,520
Virtual Radiologic Corporation 11995 Singletree Lane, Suite 500 Eden Prairie, MN 55344	Healthcare Information Technology	First lien	7.25% (L + 550/Q)	12/22/2016	6.57%	14,000	13,790	13,965

Name / Address of Portfolio Company	Industry	Type of Investment	Interest Rate(1)(4)	Maturity	% of Class Held	Par Amount	Cost of Investment	Fair Value
Vision Solutions, Inc.(2) 17911 Von Karman, Suite 500 Irvine, CA 92614	Software	First lien	7.75% (L + 600/M)	7/23/2016	2.50%	5,775	5,662	5,753
Wyle Services Corporation(2) 1960 East Grand Ave, Suite 900 El Segundo, CA	Federal Services	First lien	7.75% (L + 575/Q)	3/25/2016	2.59%	7,481	7,509	7,509
Total						**172,854**	**170,220**	**172,534**

(1) All interest is payable in cash unless otherwise indicated. A majority of the variable rate debt investments bear interest at a rate that may be determined by reference to LIBOR (L) or the Prime Rate (P) and which resets quarterly (Q), monthly (M), or semi-annually (S). For each debt investment we have provided the current interest rate in effect as of December 31, 2010, or the LIBOR option if it is expected that the borrower will elect LIBOR financing at the next repricing date.

(2) Debt investments were initially owned by the Predecessor Entities and were contributed to SLF at fair value in return for an equity interest.

(3) The base rate and spread is a blended interest rate. The base rate is determined by reference to both LIBOR and Prime Rate.

(4) All investments have a LIBOR floor.

MANAGEMENT

The business and affairs of New Mountain Finance are managed under the direction of its board of directors. New Mountain Finance's board of directors appoints its officers, who serve at the discretion of the board of directors. The board of directors has an audit committee, a nominating and corporate governance committee, a compensation committee and a valuation committee and may establish additional committees from time to time as necessary.

The business and affairs of the Operating Company are managed under the direction of a separate board of directors that will be elected by the members of the Operating Company voting on a pass through basis. As a result, the partners in Guardian AIV and New Mountain Finance's stockholders will elect the Operating Company's board of directors. The responsibilities of the Operating Company's board of directors include, among other things, the oversight of its investment activities, the quarterly valuation of its assets and oversight of the Operating Company's financing arrangements. The board of directors of the Operating Company has an audit committee, a nominating and corporate governance committee and a valuation committee and may establish additional committees from time to time as necessary. The initial board of directors of the Operating Company will be comprised of the same individuals as New Mountain Finance's board of directors, and under the LLC Agreement the Operating Company will be required to endeavor to nominate the same slate of director nominees for election by its members. However, there can be no assurances that the board composition of the Operating Company will remain the same as New Mountain Finance's following the completion of this offering.

Board of Directors and Executive Officers

New Mountain Finance's board of directors consists of five members, three of whom are classified under applicable NYSE listing standards as "independent" directors and under Section 2(a)(19) of the 1940 Act as non-interested persons. Pursuant to New Mountain Finance's certificate of incorporation, New Mountain Finance's directors will be divided into three classes. Each class of directors will hold office for a three-year term. However, the initial members of the three classes have initial terms of one, two and three years, respectively. At each annual meeting of New Mountain Finance's stockholders, the successors to the class of directors whose terms expire at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. Each director will hold office for the term to which he or she is elected and until his or her successor is duly elected and qualifies. New Mountain Finance's certificate of incorporation also gives its board of directors sole authority to appoint directors to fill vacancies that are created either through an increase in the number of directors or due to the resignation, removal or death of any director. Over time, following the consummation of this offering, New Mountain Finance intends to increase the size of its board of directors to seven directors and appoint two new directors, including one new independent director.

Directors

Information regarding New Mountain Finance's board of directors is set forth below. The directors have been divided into two groups — independent directors and interested directors. Interested directors are "interested persons" of New Mountain Finance Corporation as defined in

Section 2(a)(19) of the 1940 Act. The address for each director is c/o New Mountain Finance Corporation, 787 7th Avenue, 48th Floor, New York, NY 10019.

Name	Age	Position	Director Since	Expiration of Term
Independent Directors				
David Ogens	56	Director	2010	2012
Alfred F. Hurley, Jr.	56	Director	2010	2013
Kurt J. Wolfgruber	60	Director	2010	2014
Interested Directors				
Steven B. Klinsky	54	Chairman of the Board of Directors	2010	2014
Robert A. Hamwee	41	Chief Executive Officer and Director	2010	2013

Executive Officers Who Are Not Directors

Information regarding New Mountain Finance's executive officers who are not directors is set forth below.

Name	Age	Position
Adam Weinstein	32	Chief Financial Officer and Treasurer
Paula Bosco	38	Chief Compliance Officer and Corporate Secretary

The address for each executive officer is c/o New Mountain Finance Corporation, 787 7th Avenue, 48th Floor, New York, NY 10019.

Biographical Information

Directors

Each of New Mountain Finance's directors has demonstrated high character and integrity, superior credentials and recognition in his respective field and the relevant expertise and experience upon which to be able to offer advice and guidance to New Mountain Finance's management. Each of New Mountain Finance's directors also has sufficient time available to devote to the affairs of New Mountain Finance, is able to work with the other members of the board of directors and contribute to New Mountain Finance's success and can represent the long-term interests of New Mountain Finance's stockholders as a whole. New Mountain Finance has selected its current directors to provide a range of backgrounds and experience to its board of directors. Set forth below is biographical information for each director, including a discussion of the director's particular experience, qualifications, attributes or skills that led New Mountain Finance to conclude, as of the date of this document, that the individual should serve as a director, in light of New Mountain Finance's business and structure.

Independent Directors

David Ogens has been a director of New Mountain Finance and the Operating Company since November 2010 and a director of AIV Holdings since March 2011 and is currently a private investor and served as Senior Managing Director and Head of Investment Banking at Leerink Swann LLC, a specialized healthcare investment bank focused on emerging growth healthcare companies, from 2005 to 2009. Prior to serving at Leerink Swann LLC, Mr. Ogens was Chairman and Co-Founder of SCS Financial Services, LLC, a private wealth management firm. Before co-founding SCS Financial Services, LLC in 2002, Mr. Ogens was a Managing Director in the Investment Banking Division of Goldman, Sachs & Co, where he served as a senior investment banker and a head of the High

Technology Investment Banking Group. Mr. Ogens currently serves on the Board of Directors of Apptis, Inc., a private government IT services firm, which is a portfolio company of New Mountain Capital, L.L.C. Mr. Ogens received his B.A. and M.B.A from the University of Virginia.

Mr. Ogens' brings his experience in wealth management and investment banking, including experience with debt issuances, as well as industry-specific expertise in the healthcare industry to New Mountain Finance's board of directors. This background positions Mr. Ogens well to serve as a director of New Mountain Finance.

Kurt J. Wolfgruber has been a director of New Mountain Finance and the Operating Company since November 2010 and a director of AIV Holdings since March 2011, and is currently a private investor and served as President of OppenheimerFunds, Inc., an investment management company, from March 2007 until his departure in May of 2009, during which time he was responsible for OppenheimerFunds, Inc.'s Retail and Wealth Management business units. During such period, Mr. Wolfgruber also served as Chief Investment Officer, overseeing the direction of OppenheimerFunds, Inc.'s investment organization and directing the underlying investment process. Mr. Wolfgruber joined OppenheimerFunds, Inc. in April 2000 as Senior Investment Officer and Director of Domestic Equities, in which position he was responsible for the investment process of the assets managed by OppenheimerFunds, Inc.'s Domestic Equity Portfolio teams. In 2003, Mr. Wolfgruber was named Executive Vice President and Chief Investment Officer of OppenheimerFunds, Inc. with oversight responsibilities for all investment functions including equity and fixed income research and portfolio management, trading and risk management. Prior to joining OppenheimerFunds, Inc., Mr. Wolfgruber spent 26 years at JPMorgan Investment Management in various research, portfolio management and management leadership roles. Mr. Wolfgruber received his B.A. in Economics from Ithaca College and his M.B.A. from the University of Virginia. He is also a Chartered Financial Analyst.

Mr. Wolfgruber brings experience in portfolio management and his abilities as a chartered financial analyst to the board of directors of New Mountain Finance. This background positions Mr. Wolfgruber well to serve as a director of New Mountain Finance.

Alfred F. Hurley, Jr. has been a director of New Mountain Finance and the Operating Company since November 2010 and a director of AIV Holdings since March 2011, and currently is a Vice Chairman of Emigrant Bank and Emigrant Bancorp (collectively, the "Bank") where he has served since 2007 and 2009, respectively. His responsibilities at the Bank include advising the Bank's CEO on acquisitions and divestitures, asset/liability management, and new products. He is the Chairman of the Bank's Credit and Risk Management Committee and is the Bank's acting Chief Risk Officer. Before joining the Bank, Mr. Hurley was the Chief Executive Officer of M. Safra & Co., a private money management firm, from 2004 to 2007. Prior to joining M. Safra & Co., Mr. Hurley worked at Merrill Lynch ("ML") from 1976 to 2004. His most recent management positions included serving as Senior Vice President of ML & Co. and Head of Global Private Equity Investing, Managing Director and Head of Japan Investment Banking and Capital Markets, Managing Director and Co-Head of the Global Manufacturing and Services Group, and Managing Director and Head of the Global Automotive Aerospace and Transportation Group. As part of the management duties described above, he was a member of the Corporate and Institutional Client Group ("CICG") Executive Committee which had global responsibility for the firm's equity, debt, investment banking and private equity businesses, a member of the Japan CICG Executive Committee, and a member of the Global Investment Banking Management and Operating Group Committees. Mr. Hurley graduated from Princeton University with an A.B. in History, cum laude.

Mr. Hurley brings his experience in risk management as well as his experience in the banking and money management industries to the board of directors of New Mountain Finance. This background positions Mr. Hurley well to serve as a director of New Mountain Finance.

Interested Directors

Steven B. Klinsky has served as Chairman of the Board of Directors of New Mountain Finance since July 2010, Chairman of the Board of Directors of the Operating Company since September 2010 and Chairman of the Board of Directors of AIV Holdings since May 2011. Mr. Klinsky is the Founder and a Managing Director of New Mountain and has served as New Mountain's Chief Executive Officer since its inception in 1999. Prior to 1999, Mr. Klinsky served as a General Partner and an Associate Partner with Forstmann Little & Co. and co-founded Goldman, Sachs & Co.'s Leveraged Buyout Group. He currently serves on the Board of Directors of Apptis, Inc., Connextions, Inc., Deltek, Inc., Inmar, Inc., Oakleaf Global Holdings, Inc., Overland Solutions, Inc., RedPrairie Holding, Inc. and Avantor Performance Materials Holdings, Inc. and has served on the Board of Directors of Strayer Education Inc., National Medical Health Card Systems, Inc. and Surgis, Inc. Mr. Klinsky received his B.A. in Economics and Political Philosophy from the University of Michigan. He received his M.B.A. from Harvard Business School and his J.D. from Harvard Law School.

From his experience as an executive or director of public and private companies of financial advisory and private equity companies, Mr. Klinsky brings broad financial advisory and investment management expertise to the board of directors. Mr. Klinsky's intimate knowledge of the business and operations of New Mountain, including the Predecessor Entities, as a Managing Director and Founder and Chief Executive Officer of New Mountain and his experience as a board member or chairman of other publicly-held companies positions him well to serve as a chairman of New Mountain Finance's board of directors.

Robert A. Hamwee has served as New Mountain Finance's Chief Executive Officer since July 2010 and President since March 2011, the Operating Company's Chief Executive Officer since September 2010 and AIV Holdings' Chief Executive Officer and President since May 2011. Mr. Hamwee serves on the board of directors of all three companies. Mr. Hamwee has served as a Managing Director of New Mountain since 2008. Prior to joining New Mountain, Mr. Hamwee served as President of GSC Group, a leading institutional investment manager of alternative assets, where he had day-to-day responsibility for managing GSC's control distressed debt funds from 1999 to 2008. Prior to 1999, Mr. Hamwee held various positions at Greenwich Street Capital Partners, the predecessor to GSC Group, and with The Blackstone Group. Mr. Hamwee has chaired numerous Creditor Committees and Bank Steering Groups, and was formerly a director of a number of public and private companies, including Envirosource, Purina Mills, and Viasystems. Mr. Hamwee received his B.B.A. in Finance and Accounting from the University of Michigan.

Mr. Hamwee's depth of experience in managerial operational positions in investment management and financial services and as a member of other corporate boards of directors, as well as his intimate knowledge of the business and operations of New Mountain Finance, provides the board of directors valuable industry- and company-specific knowledge and expertise.

Executive Officers Who Are Not Directors

Adam Weinstein has served as Chief Financial Officer and Treasurer of New Mountain Finance since July 2010, of the Operating Company since September 2010 and of AIV Holdings since May 2011. Mr. Weinstein has served as a Director and the Controller of New Mountain since 2005. Prior to joining New Mountain in 2005, Mr. Weinstein was a Manager at Deloitte & Touche, LLP and worked in that firm's merger and acquisition and private equity investor services areas. Mr. Weinstein sits on a number of boards of directors for professional and non-profit organizations. Mr. Weinstein received his B.S. from Binghamton University, is a member of the AICPA and is a New York State Certified Public Accountant.

Paula Bosco has served as Chief Compliance Officer and Corporate Secretary of New Mountain Finance since July 2010, of the Operating Company since September 2010 and of AIV

Holdings since May 2011. Ms. Bosco has served as a Director of New Mountain since 2009. Prior to joining New Mountain in 2009, Ms. Bosco served as the advisory Chief Compliance Officer for Lehman Brothers Inc. from 2007 to 2009. From 2005 to 2007, Ms. Bosco served as Senior Vice President and Assistant Director of International & Investment Advisory Services Compliance at Citigroup Global Markets, Inc. Prior to that, Ms. Bosco held a number of senior legal and regulatory compliance positions with investment banks and financial regulators, as well as with a large New York City law firm. Ms. Bosco received her B.A. in Political Science from the State University of New York, her J.D. from the City University of New York School of Law and her M.B.A. in Finance/Investment Management from Pace University. She is admitted to practice law in the U.S. District Court, Eastern and Southern Districts of New York, and the U.S. Court of Appeals, Second Circuit.

Board Leadership Structure

New Mountain Finance's board of directors monitors and performs an oversight role with respect to New Mountain Finance's business and affairs, compliance with regulatory requirements and the services, expenses and performance of service providers to New Mountain Finance. Among other things, New Mountain Finance's board of directors approves the appointment of the Administrator and officers, reviews and monitors the services and activities performed by the Administrator and officers and approves the engagement, and reviews the performance of, New Mountain Finance's independent public accounting firm.

Under New Mountain Finance's bylaws, New Mountain Finance's board of directors may designate a chairman to preside over the meetings of the board of directors and meetings of the stockholders and to perform such other duties as may be assigned to him by the board. New Mountain Finance does not have a fixed policy as to whether the chairman of the board should be an independent director and believes that it should maintain the flexibility to select the chairman and reorganize the leadership structure, from time to time, based on the criteria that is in the best interests of New Mountain Finance and its stockholders at such times.

Mr. Klinsky currently serves as the chairman of New Mountain Finance's board of directors. Mr. Klinsky is an "interested person" of New Mountain Finance as defined in Section 2(a)(19) of the 1940 Act because he is a Managing Director and the Founder and Chief Executive Officer of New Mountain, serves on the investment committee of the Investment Adviser and is the managing member of the sole member of the Investment Adviser. New Mountain Finance believes that Mr. Klinsky's history with New Mountain, including the Predecessor Entities, familiarity with our investment objectives and investment strategy, and extensive knowledge of the financial services industry and the investment valuation process in particular qualify him to serve as the chairman of New Mountain Finance's board of directors. New Mountain Finance believes that, at present, it is best served through this leadership structure, as Mr. Klinsky's relationship with the Investment Adviser and New Mountain provides an effective bridge and encourages an open dialogue between New Mountain Finance management and its board of directors, ensuring that both groups act with a common purpose.

New Mountain Finance's board of directors does not currently have a designated lead independent director. New Mountain Finance is aware of the potential conflicts that may arise when a non-independent director is chairman of the board, but believes these potential conflicts are offset by its strong corporate governance policies. New Mountain Finance's corporate governance policies include regular meetings of the independent directors in executive session without the presence of interested directors and management, the establishment of audit and nominating and corporate governance committees comprised solely of independent directors and the appointment of a chief compliance officer, with whom the independent directors will meet regularly without the presence of interested directors and other members of management, for administering New Mountain Finance's compliance policies and procedures.

New Mountain Finance recognizes that different board leadership structures are appropriate for companies in different situations. New Mountain Finance intends to re-examine its corporate governance policies on an ongoing basis to ensure that they continue to meet its needs.

Board's Role in Risk Oversight

New Mountain Finance's board of directors performs its risk oversight function primarily through (1) its four standing committees which report to the entire board of directors, each of which are comprised solely of independent directors and (2) active monitoring by New Mountain Finance's chief compliance officer and its compliance policies and procedures. In addition, New Mountain Finance's board will rely on the risk oversight function of the Operating Company's board of directors.

New Mountain Finance's audit committee and nominating and corporate governance committee assist its board of directors in fulfilling its risk oversight responsibilities. The audit committee's risk oversight responsibilities include overseeing New Mountain Finance's accounting and financial reporting processes, its systems of internal controls regarding finance and accounting, and audits of New Mountain Finance's financial statements, including the independence of New Mountain Finance's independent accountants. The nominating and corporate governance committee's risk oversight responsibilities include selecting, researching and nominating directors for election by New Mountain Finance's stockholders, developing and recommending to the board a set of corporate governance principles and overseeing the evaluation of the board and New Mountain Finance's management. The valuation committee is responsible for making recommendations in accordance with the valuation policies and procedures adopted by the board of directors of New Mountain Finance, reviewing valuations and any reports of independent valuation firms, confirming that valuations are made in accordance with the valuation policies of the board of directors of New Mountain Finance and reporting any deficiencies or violations of such valuation policies to the board of directors on at least a quarterly basis, and reviewing other matters that the board of directors or the valuation committee deem appropriate.

New Mountain Finance's board of directors will perform its risk oversight responsibilities with the assistance of the chief compliance officer. The board of directors will annually review a written report from the chief compliance officer discussing the adequacy and effectiveness of New Mountain Finance's compliance policies and procedures and its service providers. The chief compliance officer's annual report will address at a minimum:

- the operation of New Mountain Finance's compliance policies and procedures and its service providers since the last report;
- any material changes to these policies and procedures since the last report;
- any recommendations for material changes to these policies and procedures as a result of the chief compliance officer's annual review; and
- any compliance matter that has occurred since the date of the last report about which the board of directors would reasonably need to know to oversee New Mountain Finance's compliance activities and risks.

In addition, the chief compliance officer will meet separately in executive session with the independent directors at least once each year.

New Mountain Finance believes that its board's role in risk oversight will be effective, and appropriate given the extensive regulation to which it will be subject as a business development company. Following New Mountain Finance's election to be treated as a business development company, New Mountain Finance will be required to comply with certain regulatory requirements that control the levels of risk in New Mountain Finance's business and operations. Because New Mountain Finance will have no assets other than its ownership of common membership units of the

Operating Company and will have no material long-term liabilities, New Mountain Finance will look to the assets of the Operating Company for purposes of satisfying these requirements. For example, the Operating Company's ability to incur indebtedness will be limited because its asset coverage must equal at least 200% immediately after it incurs indebtedness, the Operating Company generally will have to invest at least 70% of its total assets in "qualifying assets" and will not generally be permitted to invest in any portfolio company in which one of its or New Mountain Finance's affiliates currently has an investment. See "Regulation".

New Mountain Finance recognizes that different board roles in risk oversight are appropriate for companies in different situations. New Mountain Finance intends to re-examine the manners in which the board administers its oversight function on an ongoing basis to ensure that they continue to meet New Mountain Finance's needs.

Committees of the New Mountain Finance Board of Directors

New Mountain Finance's board of directors has established the following committees. The members of each committee have been appointed by the board of directors and serve until their successor is elected and qualified, unless they are removed or resign.

Audit Committee

The audit committee is responsible for recommending the selection of, engagement of and discharge of New Mountain Finance's independent accountants, reviewing the plans, scope and results of the audit engagement with the independent accountants, approving professional services provided by the independent accountants (including compensation therefore), reviewing the independence of the independent accountants and reviewing the adequacy of New Mountain Finance's internal control over financial reporting. The initial members of the audit committee are Alfred Hurley, David Ogens and Kurt Wolfgruber, each of whom is not an interested person of New Mountain Finance for purposes of the 1940 Act and is independent for purposes of the NYSE's corporate governance listing standards. Kurt Wolfgruber serves as the chairman of the audit committee, and New Mountain Finance's board of directors has determined that Alfred Hurley, David Ogens and Kurt Wolfgruber are "audit committee financial experts" as defined under SEC rules.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee is responsible for determining criteria for service on the board, identifying, researching and nominating directors for election by New Mountain Finance's stockholders, selecting nominees to fill vacancies on New Mountain Finance's board of directors or a committee of the board, developing and recommending to the board of directors a set of corporate governance principles and overseeing the self-evaluation of the board of directors and its committees and evaluation of New Mountain Finance's management. The nominating and corporate governance committee considers nominees properly recommended by New Mountain Finance's stockholders. The initial members of the nominating and corporate governance committee are Alfred Hurley, David Ogens and Kurt Wolfgruber, each of whom is not an interested person of New Mountain Finance for purposes of the 1940 Act and is independent for purposes of the NYSE's corporate governance listing standards. Kurt Wolfgruber serves as the chairman of the nominating and corporate governance committee.

Compensation Committee

The compensation committee is responsible for periodically reviewing director compensation and recommending any appropriate changes to the board of directors. In addition, although New Mountain Finance does not directly compensate its executive officers currently, to the extent that it does so in the future, the compensation committee would also be responsible for reviewing and

evaluating their compensation and making recommendations to the board of directors regarding their compensation. Lastly, the compensation committee produces a report on New Mountain Finance's executive compensation practices and policies for inclusion in our proxy statement if required by applicable proxy rules and regulations and, if applicable, makes recommendations to the board of directors on New Mountain Finance's executive compensation practices and policies. The compensation committee is composed of Alfred Hurley, David Ogens and Kurt Wolfgruber, each of whom is not an interested person of New Mountain Finance for purposes of the 1940 Act and is independent for purposes of the NYSE's corporate governance listing standards. Alfred Hurley serves as chairman of the compensation committee.

Valuation Committee

New Mountain Finance's board of directors has established a valuation committee. Each member of the valuation committee will be appointed by New Mountain Finance's board of directors and serve until such member's successor is elected and qualified, unless such member fails to qualify, retires, is removed or resigns. The valuation committee is responsible for making recommendations in accordance with the valuation policies and procedures adopted by the board of directors of New Mountain Finance, reviewing valuations and any reports of independent valuation firms, confirming that valuations are made in accordance with the valuation policies of the board of directors of New Mountain Finance and reporting any deficiencies or violations of such valuation policies to the board of directors on at least a quarterly basis, and reviewing other matters that the board of directors or the valuation committee deem appropriate. The valuation committee is initially composed of Alfred Hurley, David Ogens and Kurt Wolfgruber, each of whom is not an interested person of New Mountain Finance for purposes of the 1940 Act. David Ogens serves as chairman of the valuation committee.

Board of Directors of Operating Company

The Operating Company's board of directors performs the same functions as New Mountain Finance's board of directors, including with respect to risk oversight, and, in addition to such functions, also monitors and performs an oversight role with respect to investment practices and performance of our portfolio. The Operating Company's board approves the appointment of the Investment Adviser, Administrator and the Operating Company officers and reviews and monitors the services and activities performed by them on behalf of the Operating Company.

Audit and Nominating and Corporate Governance Committees

The Operating Company's board of directors has established audit and nominating and corporate governance committees. The Operating Company's audit and nominating and corporate governance committees will perform similar functions as New Mountain Finance's audit and nominating and corporate governance committees and will initially be comprised of the same members as New Mountain Finance's audit and nominating and corporate governance committees.

Valuation Committee

The Operating Company's board of directors has established a valuation committee. Each member of the valuation committee will be appointed by the Operating Company's board of directors and serve until such member's successor is elected and qualified, unless such member fails to qualify, retires, is removed or resigns. The valuation committee is responsible for making recommendations in accordance with the valuation policies and procedures adopted by the board of directors of the Operating Company, reviewing valuations and any reports of independent valuation firms, confirming that valuations are made in accordance with the valuation policies of the board of directors of the Operating Company and reporting any deficiencies or violations of such valuation policies to the board of directors on at least a quarterly basis, and reviewing other matters

that the board of directors or the valuation committee deem appropriate. The Operating Company's board of directors and valuation committee will have the authority to utilize the services of an independent valuation firm to help determine the fair value of these investments. The valuation committee is initially composed of Alfred Hurley, David Ogens and Kurt Wolfgruber, each of whom is not an interested person of the Operating Company for purposes of the 1940 Act. David Ogens serves as chairman of the valuation committee.

The Operating Company will endeavor to comprise each of its respective committees with the same members as New Mountain Finance's respective committees. However, there can be no assurance that its committee compositions will remain the same as New Mountain Finance's committee compositions following the completion of this offering.

Compensation of Directors

The independent directors of New Mountain Finance receive an annual retainer fee of $75,000 and will further receive a fee of $2,500 for each regularly scheduled board meeting and a fee of $1,000 for each special board meeting as well as reimbursement of reasonable and documented out-of-pocket expenses incurred in connection with attending each board meeting. In addition, the chairman of the audit committee will receive an annual retainer of $7,500, while the chairman of the valuation committee, the chairman of the compensation committee and the chairman of the nominating and corporate governance committee will receive annual retainers of $5,000, $1,000 and $1,000, respectively. All fees payable to New Mountain Finance's directors will be paid by the Operating Company. The directors of the Operating Company are not paid any additional amounts.

No compensation is paid to directors who are interested persons of New Mountain Finance Corporation as defined in the 1940 Act. In addition, no compensation is paid to directors of the Operating Company.

Compensation of Executive Officers

None of New Mountain Finance's or the Operating Company's executive officers receive direct compensation from New Mountain Finance or the Operating Company. The compensation of the principals and other investment professionals of the Investment Adviser is paid by the Investment Adviser. Compensation paid to New Mountain Finance's and the Operating Company's chief financial officer and chief compliance officer is set by the Administrator and is subject to reimbursement by the Operating Company of the allocable portion of such compensation for services rendered to New Mountain Finance and the Operating Company.

Indemnification Agreements

New Mountain Finance and the Operating Company have entered into indemnification agreements with their respective directors. The indemnification agreements are intended to provide the directors the maximum indemnification permitted under Delaware law and the 1940 Act. Each indemnification agreement provides that New Mountain Finance or the Operating Company, as applicable, shall indemnify the director who is a party to the agreement, or an Indemnitee, including the advancement of legal expenses, if, by reason of his or her corporate status, the Indemnitee is, or is threatened to be, made a party to or a witness in any threatened, pending, or completed proceeding, to the maximum extent permitted by Delaware law and the 1940 Act. Any amounts owing by New Mountain Finance to any Indemitee pursuant to the indemnification agreements will be payable by the Operating Company.

PORTFOLIO MANAGEMENT

The management of our investment portfolio is the responsibility of the Investment Adviser and its investment committee, which currently consists of Steven Klinsky, Robert Hamwee, Adam Collins, Doug Londal and Alok Singh. We consider Mr. Hamwee to be our portfolio manager. The Investment Adviser's investment committee is responsible for approving all of our investments above $5 million. Investments and dispositions below $5 million may be approved by the Operating Company's Chief Executive Officer. These approval thresholds may change over time.

Investment Personnel

As of December 31, 2010, the Investment Adviser was supported by approximately 86 New Mountain staff members, including approximately 53 investment professionals (including 14 managing directors and 13 senior advisers) as well as 14 finance and operational professionals. These individuals, in addition to the Investment Adviser's investment committee, are primarily responsible for the day-to-day management of our portfolio. The Investment Adviser may retain additional investment professionals, based upon its needs, subsequent to the completion of this offering.

Below are the biographies for selected senior investment professionals of the Investment Adviser, whose biographies are not included elsewhere in this prospectus. For more information regarding the business experience of Messrs. Klinsky and Hamwee, see "Management — Biographical Information — Directors — Interested Directors".

Adam J. Collins will serve on the Investment Adviser's investment committee and serves as Chief Financial Officer and a Managing Director of New Mountain. Prior to joining New Mountain in 2001, Mr. Collins worked at Goldman, Sachs & Co. from 1996 to 2000 in the controllers group and in 2001 in the Real Estate Principal Investment area. Prior to 1996, Mr. Collins worked at KPMG from 1994 to 1996. He serves on the Board of Directors of Apptis, Inc. and Connextions, Inc. Mr. Collins received his B.S. in Accounting from Babson College.

Doug F. Londal will serve on the Investment Adviser's investment committee and serves as a Managing Director of New Mountain. Prior to joining New Mountain in 2004, Mr. Londal held various positions within Goldman, Sachs & Co. and its affiliates, including serving as a Managing Director in the Principal Investment Area from 1995 to 2004 and as a member of the Mergers & Acquisitions Department from 1991 to 1995. While in the Principal Investment Area, Mr. Londal held various positions including co-head of Merchant Banking in the Americas and co-head of the Mezzanine investing effort in the Americas. Mr. Londal serves on the Board of Directors of Connextions, Inc., Inmar, Inc., NuSil Technology LLC and Oakleaf Global Holdings, Inc. Mr. Londal received his B.A. in Economics from the University of Michigan. He received his M.B.A. from the University of Chicago Graduate School of Business.

Alok Singh will serve on the Investment Adviser's investment committee and serves as a Managing Director of New Mountain. Prior to joining New Mountain in 2002, Mr. Singh served as a Partner and Managing Director of Bankers Trust. He also established and led the Corporate Financial Advisory Group for the Americas for Barclays Capital. Mr. Singh is non-executive Chairman of RedPrairie Holding, Inc. and Overland Solutions, Inc., lead director of Camber Corporation, Deltek, Inc., Ikaria Holdings, Inc., and Stroz Friedberg LLC and serves on the Boards of Directors of Apptis, Inc., EverBank Financial Corp., Validus Holdings, Ltd., and Avantor Performance Materials, Inc. Mr. Singh received both his B.A. in Economics and History and his M.B.A. in Finance from New York University.

John R. Kline has served as a Director of New Mountain since 2008. Prior to joining New Mountain, he worked at GSC Group from 2001 to 2008 as an investment analyst and trader for

GSC Group's control distressed and corporate credit funds. From 1999 to 2001, Mr. Kline was with Goldman, Sachs & Co. where he worked in the Credit Risk Management and Advisory Group. Mr. Kline received an A.B. degree in History from Dartmouth College.

James W. Stone III has served as a Director of New Mountain since 2011. Prior to joining New Mountain, he worked for The Blackstone Group as a Managing Director of GSO Capital Partners. At Blackstone, Mr. Stone was responsible for originating, analyzing, evaluating, executing and monitoring various senior secured and mezzanine debt investments across a variety of industries. Before joining Blackstone in 2002, Mr. Stone worked as a Vice President in Lehman Brothers' Communications and Media Group and as a Vice President in UBS Warburg's Leveraged Finance Department. Prior to that, Mr. Stone worked at Nomura Securities International, Inc. with the team that later founded Blackstone's corporate debt investment unit. Mr. Stone received a B.S. in Mathematics and Physics from The University of the South and an M.B.A. with concentrations in finance and accounting from The University of Chicago's Graduate School of Business.

The table below shows the dollar range of shares of common stock to be beneficially owned by our portfolio manager.

Name of Portfolio Manager	Dollar Range of Equity Securities of New Mountain Finance(1)(2)(3)
Robert Hamwee	$500,001 - $1,000,000

(1) The dollar range of equity securities beneficially owned by our portfolio manager is based on an assumed initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus).

(2) The dollar range of equity securities beneficially owned are: none, $1 – $10,000, $10,001 – $50,000, $50,001 – $100,000, $100,001 – $500,000, $500,001 – $1,000,000 or over $1,000,000.

(3) Does not include any shares that may be acquired by officers or directors in connection with the directed share program.

Mr. Hamwee is not primarily responsible for the day-to-day management of any other portfolio other than the portfolio of the Operating Company. Mr. Hamwee is a Managing Director of New Mountain, which as of December 31, 2010 had more than $9.0 billion (including the Operating Company) of assets under management (which includes amounts committed, not all of which have been drawn down and invested to date) used to calculate New Mountain's management fees related to such funds. See "Risk Factors — Risks Relating to Our Business — The Investment Adviser has significant potential conflicts of interest with New Mountain Finance and the Operating Company and, consequently, your interests as stockholders which could adversely impact our investment returns".

Compensation

None of the Investment Adviser's investment professionals will be employed by New Mountain Finance or the Operating Company or will receive any direct compensation from New Mountain Finance or the Operating Company in connection with the management of our portfolio. Mr. Klinsky, through his financial interest in the Investment Adviser, is entitled to a portion of any profits earned by the Investment Adviser, which includes any fees payable to the Investment Adviser under the terms of the Investment Management Agreement, less expenses incurred by the Investment Adviser in performing its services under the Investment Management Agreement.

INVESTMENT MANAGEMENT AGREEMENT

Following the completion of this offering, New Mountain Finance and the Operating Company will be closed-end, non-diversified management investment companies that have elected to be treated as business development companies under the 1940 Act. New Mountain Finance will be a holding company with no direct operations of its own, and its only business and sole asset will be its ownership of common membership units of the Operating Company. As a result, New Mountain Finance will not pay any external investment advisory or management fees. However, the Operating Company will be externally managed by the Investment Adviser and will pay the Investment Adviser a fee for its services. The following summarizes the arrangements between the Operating Company and the Investment Adviser pursuant to the Investment Management Agreement.

Overview of the Investment Adviser

Management Services

The Investment Adviser is registered as an Investment Adviser under the Investment Advisers Act of 1940, or the Advisers Act. The Investment Adviser will serve pursuant to the Investment Management Agreement in accordance with the 1940 Act. Subject to the overall supervision of the Operating Company's board of directors, the Investment Adviser will manage the Operating Company's day-to-day operations and provide it with investment advisory and management services. Under the terms of the Investment Management Agreement, the Investment Adviser will:

- determine the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- determine what assets we will purchase, retain or sell;
- identify, evaluate and negotiate the structure of our investments the Operating Company makes;
- execute, monitor and service the investments the Operating Company makes;
- determine the securities and other assets that the Operating Company will purchase, retain or sell;
- perform due diligence on prospective portfolio companies;
- vote, exercise consents and exercise all other rights appertaining to such securities and other assets on behalf of the Operating Company; and
- provide the Operating Company with such other investment advisory, research and related services as the Operating Company may, from time to time, reasonably require.

The Investment Adviser's services under the Investment Management Agreement are not exclusive, and the Investment Adviser (so long as its services to the Operating Company are not impaired) and/or other entities affiliated with New Mountain are permitted to furnish similar services to other entities.

Management Fee

The Operating Company will pay the Investment Adviser a fee for its services under the Investment Management Agreement consisting of two components — a base management fee and an incentive fee. The cost of both the base management fee payable to the Investment Adviser and any incentive fees paid in cash to the Investment Adviser will be borne by the Operating Company's members, including New Mountain Finance and, as a result, will also indirectly be borne by New Mountain Finance's common stockholders.

Base Management Fee

The base management fee is calculated at an annual rate of 1.75% of the Operating Company's gross assets less (i) the borrowings under the SLF Credit Facility and (ii) cash and cash equivalents. The base management fee is payable quarterly in arrears, and is calculated based on the average value of the Operating Company's gross assets at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raises or repurchases during the current calendar quarter. The base management fee for any partial quarter will be appropriately pro rated.

Incentive Fee

The incentive fee has two parts. The first part is calculated and payable quarterly in arrears based on the Operating Company's "Pre-Incentive Fee Adjusted Net Investment Income" for the immediately preceding calendar quarter. As of December 31, 2010 the total fair market value of the Operating Company's existing assets was estimated to exceed their total cost basis for GAAP purposes by approximately $26.7 million (such excess is referred to herein as the "GAAP built-in gain"). The formation transactions that will take place in connection with this offering will not cause a step-up in the cost basis of the Operating Company's existing assets to fair market value under GAAP. Therefore, because the total value at the time of the offering of the Operating Company's assets is greater than its original purchase price, a greater amount of amortization of purchase discount or original issue discount will be recognized under GAAP in each period until such assets are sold or mature in the future. The Operating Company intends to keep track of the transferred value of each of its assets and for purposes of the incentive fee calculation, adjust "Pre-Incentive Fee Net Investment Income" to eliminate the effect of additional amortization of purchase discount or original issue discount taken into account in each period as a result of the lower original purchase price as compared to the transferred value. Including this adjustment, "Pre-Incentive Fee Net Investment Income" will be known as "Pre-Incentive Fee Adjusted Net Investment Income" for the sole purpose of calculating incentive fees. "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Operating Company receives from portfolio companies) accrued during the calendar quarter, minus the Operating Company's operating expenses for the quarter (including the base management fee, expenses payable under the Administration Agreement with the Administrator, and any interest expense and distributions paid on any issued and outstanding preferred membership units, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income that the Operating Company has not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee Adjusted Net Investment Income, expressed as a rate of return on the value of the Operating Company's net assets at the end of the immediately preceding calendar quarter, will be compared to a "hurdle rate" of 2% per quarter (8% annualized), subject to a "catch-up" provision measured as of the end of each calendar quarter. The Operating Company's net investment income used to calculate this part of the incentive fee is also included in the amount of the Operating Company's gross assets used to calculate the 1.75% base management fee. The operation of the incentive fee with respect to the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income for each quarter is as follows:

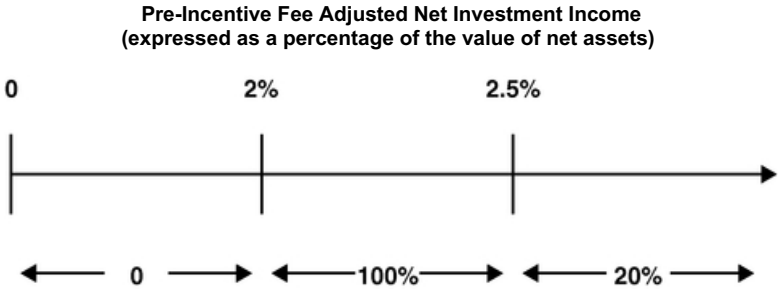
- no incentive fee is payable to the Investment Adviser in any calendar quarter in which the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income does not exceed the hurdle rate of 2% (the "preferred return" or "hurdle").

- 100% of the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income with respect to that portion of such Pre-Incentive Fee Adjusted Net Investment Income, if any, that exceeds the hurdle rate but is less than or equal to 2.5% in any calendar quarter (10% annualized) is payable to the Investment Adviser. We refer to this portion of the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income (which exceeds the hurdle rate but is less than or equal to 2.5%) as the "catch-up". The "catch-up" provision is intended to provide the Investment Adviser with an incentive fee of 20% on all of the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income as if a hurdle rate did not apply when the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income exceeds 2.5% in any calendar quarter.

- 20% of the amount of the Operating Company's Pre-Incentive Fee Adjusted Net Investment Income, if any, that exceeds 2.5% in any calendar quarter (10% annualized) is payable to the Investment Adviser once the hurdle is reached and the catch-up is achieved, (20% of all Pre-Incentive Fee Adjusted Net Investment Income thereafter is allocated to the Investment Adviser).

The following is a graphical representation of the calculation of the income-related portion of the incentive fee:

Quarterly Incentive Fee Based on "Pre-Incentive Fee Adjusted Net Investment Income"



These calculations will be appropriately prorated for any period of less than three months and adjusted for any equity capital raises or repurchases during the current calendar quarter.

The second part of the incentive fee will be determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Management Agreement, as of the termination date), commencing on December 31, 2011, and will equal 20% of the Operating Company's "adjusted realized capital gains", if any, on a cumulative basis from inception through the end of each calendar year, computed net of all "adjusted realized capital losses" and "adjusted unrealized capital depreciation" on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees, provided that, the incentive fee determined as of December 31, 2011 will be calculated for a period of shorter than twelve calendar months to take into account any "adjusted realized capital gains" computed net of all "adjusted realized capital losses" and "adjusted unrealized capital depreciation" from inception. As of December 31, 2010, the total fair market value of the Operating Company's existing assets was estimated to exceed their total cost basis for GAAP purposes by approximately $26.7 million (such excess is referred to herein as the "GAAP built-in gain"). The formation transactions that will take place in connection with this offering will not cause a step-up in the cost basis of the underlying assets to fair market value under GAAP.

Therefore, because the value at the time of the offering of the Operating Company's assets is greater than its original purchase price, a greater amount of amortization of purchase discount or original issue discount will be recognized under GAAP for each asset in each period until such assets are sold or mature in the future. This will result in an accretion to cost basis that differs had the cost basis reset to the transferred fair market value at the time of the offering. As a result, in each period, the unrealized appreciation or depreciation will differ and at the time of sale of such an asset, the realized gain or loss could be greater or less depending on the original GAAP built-in gain, the amount of amortization already taken into account for GAAP purposes and the sale price. The Operating Company intends to keep track of the transferred value of each of its assets and for purposes of the second part of the incentive fee calculation, adjust realized capital gains, realized capital losses, unrealized appreciation and unrealized depreciation to remove the effect of the difference in cost basis and calculate these amounts "as-if" the GAAP built-in gain for each asset was zero at the time of the offering. For this purpose, the adjustments will be referred to for each category as "adjusted realized capital gains", "adjusted realized capital losses", "adjusted unrealized appreciation" and "adjusted unrealized depreciation" throughout this section.

New Mountain Finance and the Operating Company are seeking exemptive relief from the SEC to permit the Operating Company to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company, which will be exchangeable into shares of New Mountain Finance's common stock on a one-for-one basis. If such exemptive relief is granted, the number of the Operating Company's common membership units payable to the Investment Adviser will be calculated based on the market price of New Mountain Finance's common stock and in accordance with such restrictions and conditions as may be required by the exemptive relief. However, if the market price of New Mountain Finance's common stock is less than the net asset value of such New Mountain Finance common stock with respect to any incentive fee payment due to the Investment Adviser, that incentive fee payment will be paid in cash. There can be no assurance that this exemptive relief will be granted. In addition, if New Mountain Finance and the Operating Company receive exemptive relief from the SEC to permit the Operating Company to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company, any common membership units so received by the Investment Adviser will be subject to a 3-year lock-up agreement, pursuant to which one-third of the common membership units received by the Investment Adviser will be released from the lock-up on an annual basis until the expiration of each 3-year lock-up period. If exemptive relief is not granted, the Operating Company will pay the entire incentive fee in cash. If the Investment Management Agreement is terminated by the Operating Company, then the lock-up provisions with respect to any shares of New Mountain Finance common stock received by the Investment Adviser or its transferees pursuant to the Investment Management Agreement immediately expire.

Example 1: Income Related Portion of Incentive Fee for Each Calendar Quarter

Alternative 1

Assumptions

Investment income (including interest, dividends, fees, etc.) = 1.25%
Hurdle rate(1) = 2%
Management fee(2) = 0.44%
Other expenses (legal, accounting, safekeeping agent, transfer agent, etc.)(3) = 0.2%
Pre-Incentive Fee Adjusted Net Investment Income
(investment income – (management fee + other expenses)) = 0.61%

Pre-Incentive Fee Adjusted Net Investment Income does not exceed the hurdle rate, therefore there is no income-related incentive fee.

Alternative 2

Assumptions

Investment income (including interest, dividends, fees, etc.) = 2.9%
Hurdle rate(1) = 2%
Management fee(2) = 0.44%
Other expenses (legal, accounting, safekeeping agent, transfer agent, etc.)(3) = 0.2%
Pre-Incentive Fee Adjusted Net Investment Income
(investment income – (management fee + other expenses)) = 2.26%

Incentive fee = 100% × Pre-Incentive Fee Adjusted Net Investment Income (subject to "catch-up")(4)
= 100% × (2.26% – 2%)
= 0.26%

Pre-Incentive Fee Adjusted Net Investment Income exceeds the hurdle rate, but does not fully satisfy the "catch-up" provision, therefore the income related portion of the incentive fee is 0.2%.

Alternative 3

Assumptions

Investment income (including interest, dividends, fees, etc.) = 3.5%
Hurdle rate(1) = 2%
Management fee(2) = 0.44%
Other expenses (legal, accounting, safekeeping agent, transfer agent, etc.)(3) = 0.2%

Pre-Incentive Fee Adjusted Net Investment Income
(investment income – (management fee + other expenses)) = 2.86%

Incentive fee = 100% × Pre-Incentive Fee Adjusted Net Investment Income (subject to "catch-up")(4)

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(1) Represents 8% annualized hurdle rate.

(2) Assumes 1.75% annualized base management fee.

(3) Excludes organizational and offering expenses.

(4) The "catch-up" provision is intended to provide the Investment Adviser with an incentive fee of 20% on all Pre-Incentive Fee Adjusted Net Investment Income as if a hurdle rate did not apply when the Operating Company's net investment income exceeds 2.5% in any calendar quarter.

Incentive fee = 100% × "catch-up" + (20% × (Pre-Incentive Fee Adjusted Net Investment Income – 2.5%))

Catch-up = 2.5% – 2%
= 0.5%

Incentive fee = (100% × 0.5%) + (20% × (2.86% – 2.5%))
= 0.5% + (20% × 0.36%)
= 0.5% + 0.07%
= 0.57%

Pre-Incentive Fee Adjusted Net Investment Income exceeds the hurdle rate, and fully satisfies the "catch-up" provision, therefore the income related portion of the incentive fee is 0.57%.

Example 2: Capital Gains Portion of Incentive Fee(*):

Alternative 1:

Assumptions

Year 1: $20 million investment made in Company A ("Investment A"), and $30 million investment made in Company B ("Investment B")

Year 2: Investment A sold for $50 million and fair market value ("FMV") of Investment B determined to be $32 million

Year 3: FMV of Investment B determined to be $25 million

Year 4: Investment B sold for $31 million

The capital gains portion of the incentive fee would be:

Year 1: None

Year 2: Capital gains incentive fee of $6 million — ($30 million realized capital gains on sale of Investment A multiplied by 20%)

Year 3: None — $5 million (20% multiplied by ($30 million cumulative capital gains less $5 million cumulative capital depreciation)) less $6 million (previous capital gains fee paid in Year 2)

Year 4: Capital gains incentive fee of $200,000 — $6.2 million ($31 million cumulative realized capital gains multiplied by 20%) less $6 million (capital gains incentive fee taken in Year 2)

Alternative 2

Assumptions

Year 1: $20 million investment made in Company A ("Investment A"), $30 million investment made in Company B ("Investment B") and $25 million investment made in Company C ("Investment C")

Year 2: Investment A sold for $50 million, FMV of Investment B determined to be $25 million and FMV of Investment C determined to be $25 million

Year 3: FMV of Investment B determined to be $27 million and Investment C sold for $30 million

Year 4: FMV of Investment B determined to be $35 million

Year 5: Investment B sold for $20 million

The capital gains incentive fee, if any, would be:

Year 1: None

Year 2: $5 million capital gains incentive fee — 20% multiplied by $25 million ($30 million realized capital gains on Investment A less unrealized capital depreciation on Investment B)

Year 3: $1.4 million capital gains incentive fee — $6.4 million (20% multiplied by $32 million ($35 million cumulative realized capital gains less $3 million unrealized capital depreciation)) less $5 million capital gains incentive fee received in Year 2

Year 4: None

Year 5: None — $5 million (20% multiplied by $25 million (cumulative realized capital gains of $35 million less realized capital losses of $10 million)) less $6.4 million cumulative capital gains incentive fee paid in Year 2 and Year 3(1)

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* The hypothetical amounts of returns shown are based on a percentage of the Operating Company's total net assets and assume no leverage. There is no guarantee that positive returns will be realized and actual returns may vary from those shown in this example.

(1) As noted above, it is possible that the cumulative aggregate capital gains fee received by the Investment Adviser ($6.4 million) is effectively greater than $5 million (20% of cumulative aggregate realized capital gains less net realized capital losses or net unrealized depreciation ($25 million)).

Payment of Expenses

The Operating Company's primary operating expenses are the payment of a base management fee and any incentive fees under the Investment Management Agreement and the allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement. The Operating Company bears all other expenses of its and New Mountain Finance's operations and transactions, including (without limitation) fees and expenses relating to:

- organizational and offering expenses;
- the investigation and monitoring of our investments;
- the cost of calculating net asset value, including the cost of any third-party valuation services;
- interest payable on debt, if any, to finance its investments;
- the cost of effecting sales and repurchases of shares of New Mountain Finance's common stock and other securities;
- management and incentive fees payable pursuant to the Investment Management Agreement;
- fees payable to third parties relating to, or associated with, making investments and valuing investments (including third-party valuation firms);
- transfer agent and custodial fees;
- fees and expenses associated with marketing efforts (including attendance at investment conferences and similar events);
- federal and state registration fees;
- any exchange listing fees;
- federal, state, local and foreign taxes;
- independent directors' fees and expenses;
- brokerage commissions;
- costs of proxy statements, stockholders' reports and notices;
- costs of preparing government filings, including periodic and current reports with the SEC;
- fees and expenses associated with independent audits and outside legal costs;
- costs associated with reporting and compliance obligations under the 1940 Act and applicable federal and state securities laws;
- fidelity bond, liability insurance and other insurance premiums; and
- printing, mailing, independent accountants and outside legal costs and all other direct expenses incurred by either the Investment Adviser, New Mountain Finance or the Operating Company in connection with administering our business, including payments under the Administration Agreement that will be based upon New Mountain Finance's and the Operating Company's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement, including the allocable portion of the compensation of New Mountain Finance's and the Operating Company's chief financial officer and chief compliance officer and their respective staffs.

Duration and Termination

The Investment Management Agreement was approved by the Operating Company's board of directors, including a majority of the directors who are not interested persons, on March 10, 2011

and by a majority of the limited partners of Guardian AIV and New Mountain Guardian Partners, L.P. through a written consent first solicited on November 8, 2010. Unless earlier terminated as described below, the Investment Management Agreement will remain in effect for a period of two years from its effective date and will remain in effect from year-to-year thereafter if approved annually by the Operating Company's board of directors or by the affirmative vote of the holders of a majority of the Operating Company's outstanding voting securities, voting on a pass through basis, and the majority of the Operating Company's directors who are not interested persons. The Investment Management Agreement will automatically terminate in the event of its assignment. The Investment Management Agreement may be terminated by either party without penalty upon 60 days' written notice to the other. Any termination by the Operating Company must be authorized either by its board of directors or by vote of its members, voting on a pass through basis.

Indemnification

The Investment Management Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, the Investment Adviser and its officers, managers, agents, employees, controlling persons, members (or their owners) and any other person or entity affiliated with it, are entitled to indemnification from the Operating Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Investment Adviser's services under the Investment Management Agreement or otherwise as the Investment Adviser.

Organization of the Investment Adviser

The Investment Adviser is a Delaware limited liability company. The principal address of the Investment Adviser is 787 7th Avenue, 48th Floor, New York, NY 10019. The Investment Adviser is ultimately controlled by Steven B. Klinsky through Mr. Klinsky's interest in New Mountain Capital Group, L.L.C. Although the Investment Adviser's personnel have previously managed our portfolio, the Investment Adviser has never previously served as an investment adviser. See Risk Factors — Risks Relating to our Business — New Mountain Finance, the Operating Company and the Investment Adviser do not have any prior experience managing a business development company or a RIC, which could adversely affect our business.

Board Approval of the Investment Management Agreement

At a meeting of the Operating Company's board of directors held on March 10, 2011, the Operating Company's board of directors unanimously voted to approve the Investment Management Agreement and the Administration Agreement. In reaching a decision to approve the Investment Management Agreement and the Administration Agreement, the Operating Company's board of directors reviewed a significant amount of information and considered, among other things:

- *Services.* The Operating Company's board of directors reviewed the nature, extent and quality of the investment advisory and management and administrative services proposed to be provided to the Operating Company by its advisers and found them sufficient to encompass the range of services necessary for the Operating Company's operation.

- *Comparison of Management Fee to Other Firms.* The Operating Company's board of directors reviewed and considered to the extent publicly available, the management fee arrangements of companies with similar business models, including business development companies.

- *Experience of Management Team and Personnel.* The Operating Company's board of directors considered the extensive experience of the members of the Investment Adviser's investment committee with respect to the specific types of investments the Operating

Company proposes to make, and their past experience with similar kinds of investments. The Operating Company's board of directors discussed numerous aspects of the investment strategy with members of the Investment Adviser's investment committee and also considered the potential flow of investment opportunities resulting from the numerous relationships of the Investment Adviser's investment committee and investment professionals within the investment community.

- *Provisions of Investment Management Agreement.* The Operating Company's board of directors considered the extent to which the provisions of the Investment Management Agreement (other than the fee structure which is discussed above) were comparable to the investment management agreements of companies with similar business models, including, peer group business development companies, and concluded that its terms were satisfactory and in line with market norms. In addition, the board of directors concluded that the services to be provided under the Investment Management Agreement were reasonably necessary for the Operating Company's operations, the services to be provided were at least equal to the nature and quality of those provided by others, and the payment terms were fair and reasonable in light of usual and customary charges.

- *Payment of Expenses.* The Operating Company's board of directors considered the manner in which the Investment Adviser would be reimbursed for its expenses at cost and the other expenses for which it would be reimbursed under the Investment Management Agreement. The Operating Company's board of directors discussed how this structure was comparable to that of companies with similar business models, including existing business development companies.

Based on the information reviewed and the discussions among the members of the Operating Company's board of directors, the Operating Company's board of directors, including all of its directors who are not interested persons under the 1940 Act, concluded that the management fee rates were fair and reasonable in relation to the services to be provided and approved the Investment Management Agreement and the Administration Agreement as being in the best interests of the Operating Company.

ADMINISTRATION AGREEMENT

New Mountain Finance and the Operating Company have also entered into an Administration Agreement with the Administrator under which the Administrator provides administrative services for New Mountain Finance and the Operating Company, including arranging office facilities for New Mountain Finance and the Operating Company and providing office equipment and clerical, bookkeeping and recordkeeping services at such facilities. Under the Administration Agreement, the Administrator also performs, or oversees the performance of, New Mountain Finance's and the Operating Company's required administrative services, which includes being responsible for the financial records which New Mountain Finance and the Operating Company are required to maintain and preparing reports to New Mountain Finance's stockholders and reports filed with the SEC, which includes, but is not limited to, providing the services of New Mountain Finance's and the Operating Company's chief financial officer. In addition, the Administrator assists New Mountain Finance and the Operating Company in determining and publishing their respective net asset values, overseeing the preparation and filing of New Mountain Finance's tax returns and the printing and dissemination of reports to New Mountain Finance's stockholders, and generally overseeing the payment of New Mountain Finance's and the Operating Company's expenses and the performance of administrative and professional services rendered to New Mountain Finance and the Operating Company by others. For providing these services, facilities and personnel, the Operating Company reimburses the Administrator the allocable portion of overhead and other expenses incurred by it in performing its obligations to New Mountain Finance and the Operating Company under the Administration Agreement, including rent and New Mountain Finance's allocable portion of the costs of compensation and related expenses of New Mountain Finance's and the Operating Company's chief financial officer and chief compliance officer, and their respective staffs. The Administrator may also provide on the Operating Company's behalf managerial assistance to our portfolio companies. The Administration Agreement may be terminated by New Mountain Finance, the Operating Company or the Administrator without penalty upon 60 days' written notice to the other party. Amounts payable to the Administrator under the Administration Agreement will not exceed $3 million for the first year of the Administration Agreement.

The Administration Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, the Administrator and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from New Mountain Finance and the Operating Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of services under the Administration Agreement or otherwise as administrator for New Mountain Finance and the Operating Company. Any amounts owing by New Mountain Finance pursuant to this indemnification obligation will be payable by the Operating Company.

LICENSE AGREEMENT

New Mountain Finance and the Operating Company have also entered into a royalty-free license agreement with New Mountain, pursuant to which New Mountain has agreed to grant New Mountain Finance and the Operating Company a non-exclusive, royalty-free license to use the name "New Mountain". Under this agreement, subject to certain conditions, New Mountain Finance and the Operating Company will have a right to use the "New Mountain" name for so long as the Investment Adviser or one of its affiliates remains the investment adviser of the Operating Company. Other than with respect to this limited license, New Mountain Finance and the Operating Company will have no legal right to the "New Mountain" name.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Operating Company has entered into the Investment Management Agreement with the Investment Adviser. Pursuant to the Investment Management Agreement, payments will be equal to (a) a base management fee of 1.75% of the value of the Operating Company's gross assets and (b) an incentive fee based on the Operating Company's performance. Mr. Klinsky, through his financial interest in the Investment Adviser, is entitled to a portion of any profits earned by the Investment Adviser, which includes any fees payable to the Investment Adviser under the terms of the Investment Management Agreement, less expenses incurred by the Investment Adviser in performing its services under the Investment Management Agreement. In addition, New Mountain Finance's and the Operating Company's executive officers and directors, as well as the current or future members of the Investment Adviser, serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as the Operating Company does or of investment funds managed by New Mountain Finance's and the Operating Company's affiliates. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of the Operating Company, New Mountain Finance or New Mountain Finance's stockholders. Although we will currently be New Mountain's only vehicle focused primarily on investing in the Target Securities, in the future, the principals of the Investment Adviser and/or New Mountain employees that provide services pursuant to the Investment Management Agreement may manage other funds which may from time to time have overlapping investment objectives with our own and, accordingly, may invest in, whether principally or secondarily, asset classes similar to those targeted by the Operating Company. If this occurs, the Investment Adviser may face conflicts of interest in allocating investment opportunities to the Operating Company and such other funds. Although the investment professionals will endeavor to allocate investment opportunities in a fair and equitable manner, it is possible that the Operating Company may not be given the opportunity to participate in certain investments made by investment funds managed by the Investment Adviser or persons affiliated with the Investment Adviser or that certain of these investment funds may be favored over the Operating Company. When these investment professionals identify an investment, they will be forced to choose which investment fund should make the investment. See "Risk Factors — Risks Relating to Our Business — The Investment Adviser has significant potential conflicts of interest with New Mountain Finance and the Operating Company and, consequently, your interests as stockholders which could adversely impact our investment returns" and "Investment Management Agreement".

Pursuant to the Administration Agreement, the Administrator will furnish New Mountain Finance and the Operating Company with the facilities and administrative services necessary to conduct their respective day-to-day operations, including equipment, clerical, bookkeeping and recordkeeping services at such facilities. In addition, the Administrator will assist New Mountain Finance and the Operating Company in connection with the determination and publishing of their respective net asset values, the preparation and filing of tax returns and the printing and dissemination of reports to New Mountain Finance's stockholders. The Operating Company will reimburse the Administrator for New Mountain Finance's and the Operating Company's allocable portion of overhead and other expenses incurred by it in performing its obligations under the Administration Agreement, including a portion of the rent and the compensation of New Mountain Finance's and the Operating Company's chief financial officer and chief compliance officer, and their respective staffs. See "Administration Agreement". Each of these contracts may be terminated by New Mountain Finance, the Operating Company or the Administrator without penalty upon 60 days' written notice to the other.

New Mountain Finance and the Operating Company have also entered into a license agreement with New Mountain, pursuant to which New Mountain has agreed to grant New Mountain Finance and the Operating Company a non-exclusive, royalty-free license to use the

name New Mountain. Under this agreement, subject to certain conditions, New Mountain Finance and the Operating Company will have a right to use the New Mountain name, for so long as the Investment Adviser or one of its affiliates remains the investment adviser of the Operating Company. Other than with respect to this limited license, we, New Mountain Finance will have no legal right to the New Mountain name.

New Mountain Finance and the Operating Company will also enter into various agreements with New Mountain and its affiliates in connection with the formation transactions described in this prospectus and this offering. See "Formation Transactions and Related Agreements" for a description of these agreements, including a description of the LLC Agreement.

Concurrently with the closing of this offering, New Mountain Finance will sell 2,059,655 shares of its common stock to certain executives and employees of, and other individuals affiliated with, New Mountain in a separate private placement at the initial public offering price per share.

New Mountain Finance and the Operating Company have also entered into indemnification agreements with their directors. See "Management — Indemnification Agreements." Guardian AIV has entered into an agreement to indemnify the Operating Company and SLF and their officers, managers, employees and agents from liabilities that may arise out of Guardian AIV's failure to pay taxes incurred by Guardian AIV prior to the formation transactions.

CONTROL PERSONS AND PRINCIPAL STOCKHOLDERS

The following tables set forth information with respect to the beneficial ownership of New Mountain Finance's common stock and the common membership units of the Operating Company, giving effect to the completion of this offering, the concurrent private placement and the formation transactions referred to in "Formation Transactions and Related Agreements — Holding Company Structure", by:

- each person known to New Mountain Finance to beneficially own 5% or more of the outstanding shares of New Mountain Finance's common stock or the common membership units of the Operating Company;
- each of New Mountain Finance's directors and each executive officer individually; and
- all of New Mountain Finance's directors and executive officers as a group.

Beneficial ownership of securities is determined in accordance with the rules of the SEC and includes voting or investment power (including the power to dispose) with respect to the securities. Percentage of beneficial ownership below takes into account 11,597,791 shares of common stock of New Mountain Finance outstanding upon the completion of this offering and the concurrent private placement. Unless otherwise indicated, the address for each listed stockholder is c/o New Mountain Finance Corporation, 787 7th Avenue, 48th Floor, New York, NY 10019. This table does not reflect shares of common stock reserved for issuance upon exercise of the underwriters' overallotment option.

		New Mountain Finance				Operating Company			
		Shares Beneficially Owned Prior to this Offering and Concurrent Private Placement and After the Formation Transactions		Shares Beneficially Owned Immediately After this Offering and Concurrent Private Placement		Common Membership Units Beneficially Owned Prior to this Offering and Concurrent Private Placement and After the Formation Transactions		Common Membership Units Beneficially Owned Immediately After this Offering and Concurrent Private Placement	
Name	Type of Ownership in New Mountain Finance(1)	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Beneficial Owners of More than 5%:									
New Mountain Guardian AIV, L.P.(2)	Beneficial	20,221,938	94.2%	20,221,938	63.6%	20,221,938	94.2%	20,221,938	63.6%
New Mountain Guardian Partners, L.P. (2)	Direct	1,252,964	(4)	1,252,964	10.8%	1,252,964	5.8%	1,252,964	3.9%
California Public Employees' Retirement System(3)	N/A	0	*	0	*	1,769,512	8.2%	1,769,512	5.6%
Pennsylvania Public School Employees' Retirement System(3)	N/A	0	*	0	*	1,327,129	6.2%	1,327,129	4.2%
Executive Officers:(5)									
Adam Weinstein	Direct	0	*	8,621	*	0	*	8,621	*
Paula Bosco	Direct	0	*	1,724	*	0	*	1,724	*
Interested Directors:(5)									
Steven Klinsky(2)(6)	Direct and Beneficial	21,474,902	100%	23,199,039	72.9%	21,474,902	100.0%	23,199,039	72.9%
Robert Hamwee	Direct	0	*	68,965	*	0	*	68,965	*
Independent Directors:(5)									
David Ogens	N/A	0	*	0	*	0	*	0	*
Albert F. Hurley, Jr.	N/A	0	*	0	*	0	*	0	*
Kurt J. Wolfgruber	N/A	0	*	0	*	0	*	0	*
All officers, directors and investment committee members as a group (12 persons) (2)(5)	Direct and Beneficial	21,474,902	100%	23,330,074	73.3%	21,474,902	100%	23,330,074	73.3%

* Represents less than 1%.

(1) All common membership units owned in the Operating Company by the below-listed parties are held indirectly.

(2) Immediately prior to this offering and the formation transactions described herein, New Mountain Capital, L.L.C. held, and Steven B. Klinsky may be deemed to have beneficially owned, one initial share of New Mountain Finance's common stock, which will be cancelled upon completion of this offering. Mr. Klinsky expressly disclaims beneficial ownership of the initial share.

Guardian AIV is the sole stockholder of AIV Holdings. After this offering, AIV Holdings will have the right to exchange its common membership units of the Operating Company for shares of New Mountain Finance's common stock on a one-for-one basis. If AIV Holdings chooses to exchange all of its common membership units of the Operating Company, AIV Holdings would receive 20,221,938 shares of New Mountain Finance's common stock. These shares would represent approximately 63.6% of New Mountain Finance's outstanding common stock immediately following the transactions described in this prospectus, assuming no exercise of the underwriters' overallotment option.

The general partners of Guardian AIV and Guardian Partners are New Mountain Investments III, L.L.C. and New Mountain Guardian GP, L.L.C., respectively. Steven B. Klinsky is the managing member of each general partner. The general partners have decision making power over the disposition of the holdings of their respective funds. New Mountain Investments III, L.L.C., as the general partner of Guardian AIV, has voting power on a pass through basis as to its portion of common membership units of the Operating Company. New Mountain Guardian GP, L.L.C., as the general partner of Guardian Partners, has voting power on a pass through basis as to its portion of shares of New Mountain Finance common stock and its portion of common membership units of the Operating Company. In addition, because Guardian AIV owns all of the common stock of AIV Holdings, Guardian AIV may be deemed to beneficially own the common membership units held by AIV Holdings. Mr. Klinsky, as the managing member of each of the general partners has decision making power over the disposition of the holdings of Guardian AIV and Guardian Partners and has voting power with respect to the holdings of each partnership as to which its respective general partner has voting power on a pass through basis. Mr. Klinsky may be deemed to beneficially own the direct or indirect holdings of Guardian AIV and Guardian Partners. Mr. Klinsky and the above general partners expressly disclaim beneficial ownership of the above shares of New Mountain Finance common stock and the above common membership units of the Operating Company.

(3) The address of the California Public Employees' Retirement System (CalPERS) is Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811. The address of the Pennsylvania Public School Employees' Retirement System (PSERS) is 5 North Fifth Street, 4th Floor, Harrisonburg, PA 17101. The calculation of CalPERS' and PSERS' respective beneficial ownership is based on their ownership interests in Guardian AIV as of December 31, 2010, which is the most recent beneficial ownership information reasonably available to us. A calculation within 30 days of this offering is not reasonably available to us due to unreasonable effort or expense.

(4) Under the SEC's beneficial ownership rules, after the formation transactions Guardian Partners is deemed to beneficially own 100% of New Mountain Finance's outstanding shares of common stock immediately prior to this offering. If AIV Holdings were to convert all of its common membership units in the Operating Company into shares of New Mountain Finance common stock, Guardian Partners would own beneficially and of record 5.8% of New Mountain Finance's outstanding shares of common stock immediately prior to this offering and after the formation transactions.

(5) Does not include any shares that may be acquired by officers, directors or investment committee members in connection with the directed share program.

(6) After this offering, of the 23,330,074 shares that Mr. Klinsky may be deemed to beneficially own, he will directly hold 1,655,172 shares of New Mountain Finance common stock and the Steven B. Klinsky Trust will directly hold 68,965 shares of New Mountain Finance common stock.

The following table sets forth the dollar range of New Mountain Finance equity securities that is expected to be beneficially owned by each of the directors and employees primarily responsible for the day-to-day management of our investment portfolio immediately after this offering.

	Dollar Range of Equity Securities Beneficially Owned(1)(2)(3)(4)
Interested Directors:(5)	
Steven B. Klinsky	Over $100,000
Robert A. Hamwee	Over $100,000
Independent Directors:	
David Ogens(6)	None
Albert F. Hurley, Jr.	None
Kurt J. Wolfgruber	None

(1) Beneficial ownership has been determined in accordance with Exchange Act Rule 16a-1(a)(2).

(2) The dollar range of equity securities beneficially owned by the directors is based on an assumed initial public offering price of $14.50 per share (the mid-point of the range set forth on the cover of this prospectus).

(3) The dollar range of equity securities beneficially owned are: none, $1 – $10,000, $10,001 – $50,000, $50,001 – $100,000 or over $100,000.

(4) Does not include any shares that may be acquired by officers or directors in connection with the directed share program.

(5) Affiliates of New Mountain hold the shares beneficially owned by the director.

(6) Mr. Ogens is the beneficial owner of a limited partnership interest in New Mountain Partners, L.P. and New Mountain Partners II, L.P. that is held by Ogens Family, Inc.

DETERMINATION OF NET ASSET VALUE

Quarterly Net Asset Value Determinations

Operating Company

The Operating Company conducts the valuation of our assets, pursuant to which its net asset value shall be determined, at all times consistent with GAAP and the 1940 Act. The net asset value per unit of common membership units of the Operating Company will be determined on a quarterly basis. The net asset value per unit is equal to the value of the Operating Company's total assets minus liabilities and any preferred membership units outstanding divided by the total number of the Operating Company's common membership units outstanding.

Value, as defined in Section 2(a)(41) of the 1940 Act, is (i) the market price for those securities for which a market quotation is readily available and (ii) for all other securities and assets, fair value as is determined in good faith by the board of directors. Investments for which market quotations are readily available on an exchange are valued at such market quotations. Indicative prices with respect to certain of the Operating Company's investments from pricing services or brokers or dealers may be obtained in order to value these investments. When doing so, the Investment Adviser determines whether the quote obtained is sufficient to determine the fair value of the investment. If determined adequate, the Operating Company uses the quote obtained.

The Operating Company will value investments for which it does not have readily available market quotations at fair value as determined in good faith by its board of directors. The Operating Company expects to value these investments at fair value as determined in good faith by its board of directors using a documented valuation policy and consistently applied valuation process. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies".

The Operating Company's board of directors undertakes a multi-step valuation process each quarter, as described below:

- The quarterly valuation process begins with each portfolio company or investment being initially valued by the investment professionals of the Investment Adviser responsible for the credit monitoring;
- Preliminary valuation conclusions are then documented and discussed with the Operating Company's senior management;
- At least once annually, the valuation for each portfolio investment for which the Operating Company does not have a readily available market quotation for four consecutive quarters will be reviewed by an independent valuation firm engaged by the Operating Company's board of directors subject to a materiality threshold;
- The valuation committee of the Operating Company's board of directors reviews the valuations and the report of the independent valuation firm, confirms that valuations are made in accordance with the valuation policies and reports any deficiencies or violations of the valuation policies to the board of directors on at least a quarterly basis; and
- The Operating Company's board of directors will discuss the valuations and determine the fair value of each investment in our portfolio in good faith.

The Operating Company's board of directors has engaged an independent third party valuation firm to provide it with valuation assistance with respect to our material unquoted assets, and, at least once annually if a materiality threshold is met, the valuation for portfolio investments for which it does not have a readily available market quotation for four consecutive quarters will be reviewed by such firm. Upon completion of its process, the independent valuation firm provides the Operating Company with a written report regarding the preliminary valuations of these securities.

The Operating Company will continue to engage an independent valuation firm to provide it with assistance regarding its determination of the fair value of our material unquoted assets; however, the Operating Company's board of directors is ultimately and solely responsible for determining the fair value of its investments in good faith.

In following these approaches, the types of factors that are taken into account in fair value pricing investments include, as relevant, but are not limited to: available market data, including relevant and applicable market trading and transaction comparables; applicable market yields and multiples; security covenants; call protection provisions; information rights; the nature and realizable value of any collateral; the portfolio company's ability to make payments, its earnings and discounted cash flows and the markets in which it does business; comparisons of financial ratios of peer companies that are public; comparable merger and acquisition transactions; and the principal market and enterprise values.

Due to the inherent uncertainty in the valuation process, the Operating Company's estimate of fair value may differ materially from the values that would have been used had a ready market for the securities existed. In addition, changes in the market environment and other events that may occur over the lives of the investments may cause the gains or losses ultimately realized on these investments to be different than the valuations currently assigned. The Operating Company determines the fair value of each individual investment and record changes in fair value as unrealized appreciation or depreciation.

Determination of fair values involves subjective judgments and estimates. The notes to the Operating Company's financial statements will refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on its financial statements. The Operating Company's valuation policy, including with respect to the use of independent valuation firms, may change over time as determined by its board of directors.

New Mountain Finance

Because New Mountain Finance will be a holding company and its only business and sole asset will be its ownership of common membership units of the Operating Company, the value of its interest in the Operating Company will depend on the Operating Company's valuation of our investments. New Mountain Finance will conduct the valuation of its ownership in the Operating Company, pursuant to which its net asset value shall be determined, at all times consistent with GAAP and the 1940 Act. The net asset value per share of New Mountain Finance's common stock will be determined on a quarterly basis and is equal to New Mountain Finance's pro rata share, based on the number of common membership units of the Operating Company held by New Mountain Finance at the time of the net asset value determination, of the Operating Company's net asset value divided by the total number of shares of New Mountain Finance's common stock outstanding. New Mountain Finance's board of directors will have no control over the determinations of fair value by the Operating Company's board of directors, although the Operating Company's initial board of directors will be the same as New Mountain Finance's. As a result, the value of your investment in shares of New Mountain Finance's common stock may be understated or overstated based on the Operating Company's fair value determinations. In the event that New Mountain Finance's board of directors believes that a different fair value for the Operating Company's investments is appropriate, New Mountain Finance's board of directors will endeavor to discuss the differences in the valuations with the Operating Company's board of directors for the purposes of resolving the differences in valuation. The valuation procedures of New Mountain Finance will be substantially similar to those utilized by the Operating Company described above.

Determinations in Connection with Offerings

In connection with future offering of shares of New Mountain Finance's common stock, New Mountain Finance's board of directors or a committee thereof will be required to make the determination that it is not selling shares of New Mountain Finance's common stock at a price below the then current net asset value of New Mountain Finance's common stock at the time at which the sale is made. New Mountain Finance's board of directors will consider the following factors, among others, in making such determination:

- the net asset value per share of New Mountain Finance's common stock disclosed in the most recent periodic report that we filed with the SEC;
- New Mountain Finance's management's assessment of whether any material change in the net asset value per share of its common stock has occurred (including through the realization of gains on the sale of the Operating Company's portfolio securities) during the period beginning on the date of the most recently disclosed net asset value per share of New Mountain Finance's common stock and ending two days prior to the date of the sale of New Mountain Finance's common stock; and
- the magnitude of the difference between (i) the net asset value per share of New Mountain Finance's common stock disclosed in the most recent periodic report that we filed with the SEC and New Mountain Finance management's assessment of any material change in the net asset value per share of New Mountain Finance's common stock since the date of the most recently disclosed net asset value per share of New Mountain Finance's common stock and (ii) the offering price of the shares of New Mountain Finance's common stock in the proposed offering.

Importantly, this determination will not require that New Mountain Finance calculate the net asset value per share of its common stock in connection with each offering of shares of its common stock, but instead it will involve the determination by its board of directors or a committee thereof that it is not selling shares of New Mountain Finance's common stock at a price per share below the then current net asset value per share of New Mountain Finance's common stock at the time at which the sale is made.

Moreover, to the extent that there is even a remote possibility that New Mountain Finance may (i) issue shares of its common stock at a price per share below the then current net asset value per share of its common stock at the time at which the sale is made or (ii) trigger the undertaking (which we provide in certain registration statements we file with the SEC) to suspend the offering of shares of its common stock pursuant to this prospectus if the net asset value per share of New Mountain Finance's common stock fluctuates by certain amounts in certain circumstances until the prospectus is amended, New Mountain Finance's board of directors will elect, in the case of clause (i) above, either to postpone the offering until such time that there is no longer the possibility of the occurrence of such event or to undertake to determine the net asset value per share of its common stock within two days prior to any such sale to ensure that such sale will not be below its then current net asset value per share, and, in the case of clause (ii) above, to comply with such undertaking or to undertake to determine the net asset value per share of its common stock to ensure that such undertaking has not been triggered.

These processes and procedures are part of our compliance policies and procedures. Records will be made contemporaneously with all determinations described in this section and these records will be maintained with other records that New Mountain Finance and the Operating Company are required to maintain under the 1940 Act.

DIVIDEND REINVESTMENT PLAN

Prior to the completion of this offering, New Mountain Finance will adopt a dividend reinvestment plan that provides for reinvestment of its distributions on behalf of its stockholders, unless a stockholder elects to receive cash as provided below. As a result, if New Mountain Finance's board of directors authorizes, and New Mountain Finance declares, a cash distribution, then New Mountain Finance's stockholders who have not "opted out" of the dividend reinvestment plan will have their cash distributions automatically reinvested in additional shares of New Mountain Finance's common stock, rather than receiving the cash distributions. In addition, AIV Holdings does not intend to reinvest any distributions received from the Operating Company in additional common membership units of the Operating Company.

No action will be required on the part of a registered stockholder to have their cash distributions reinvested in shares of New Mountain Finance's common stock. A registered stockholder may elect to receive an entire distribution in cash by notifying American Stock Transfer and Trust Company, LLC the plan administrator and New Mountain Finance's transfer agent and registrar, in writing, by phone or through the internet so that such notice is received by the plan administrator no later than 3 days prior to the payment date for distributions to stockholders. The plan administrator will set up an account for shares acquired through the plan for each stockholder who has not elected to receive distributions in cash and hold such shares in non-certificated form. Upon request by a stockholder participating in the plan, received in writing, by phone or through the internet at any time, the plan administrator will, instead of crediting shares to the participant's account, issue a certificate registered in the participant's name for the number of whole shares of New Mountain Finance's common stock and a check for any fractional share less a transaction fee of the lesser of (i) $15.00 and (ii) the price of the fractional share.

Cash distributions reinvested in additional shares of New Mountain Finance's common stock will be automatically reinvested by New Mountain Finance in the Operating Company. New Mountain Finance will use only newly issued shares to implement the plan if the price at which newly-issued shares are to be credited is equal to or greater than 110% of the last determined net asset value of the shares. Under such circumstances, the number of shares to be issued to a stockholder is determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of New Mountain Finance's common stock at the close of regular trading on the NYSE on the distribution payment date. Market price per share on that date will be the closing price for such shares on the NYSE or, if no sale is reported for such day, the average of their electronically reported bid and asked prices. If New Mountain Finance uses newly issued shares to implement the plan, New Mountain Finance will receive, on a one-for-one basis, additional common membership units of the Operating Company in exchange for cash distributions that are reinvested in shares of New Mountain Finance's common stock under the dividend reinvestment plan. New Mountain Finance reserves the right to purchase its shares in the open market in connection with its implementation of the plan if the price at which its newly-issued shares are to be credited does not exceed 110% of the last determined net asset value of the shares. Shares purchased in open market transactions by the plan administrator will be allocated to a stockholder based on the average purchase price, excluding any brokerage charges or other charges, of all shares of common stock purchased in the open market. The number of shares of New Mountain Finance's common stock to be outstanding after giving effect to payment of the distribution cannot be established until the value per share at which additional shares will be issued has been determined and elections of New Mountain Finance's stockholders have been tabulated.

There will be no brokerage charges or other charges for dividend reinvestment to stockholders who participate in the plan. The Operating Company will pay on New Mountain Finance's behalf the plan administrator's fees under the plan. If a participant elects by written, telephone, or internet notice to the plan administrator to have the plan administrator sell part or all of the shares held by

the plan administrator in the participant's account and remit the proceeds to the participant, the plan administrator is authorized to deduct a $15.00 transaction fee plus a $0.10 per share brokerage commissions from the proceeds.

Stockholders who receive distributions in the form of stock generally are subject to the same federal income tax consequences as are stockholders who elect to receive their distributions in cash. A stockholder's basis for determining gain or loss upon the sale of stock received in a distribution from New Mountain Finance will be equal to the total dollar amount of the distribution payable to the stockholder. Any stock received in a distribution will have a holding period for tax purposes commencing on the day following the day on which the shares are credited to the U.S. stockholder's account.

Participants may terminate their accounts under the plan by notifying the plan administrator via its website at *www.amstock.com*, by filling out the transaction request form located at the bottom of their statement and sending it to the plan administrator at American Stock Transfer and Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560, Attn: Plan Administration Department, or by calling the plan administrator at (888) 333-0212.

All correspondence concerning the plan should be directed to the plan administrator by mail at American Stock Transfer and Trust Company, LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560, or by telephone at (888) 333-0212.

DESCRIPTION OF NEW MOUNTAIN FINANCE'S CAPITAL STOCK

The following description is based on relevant portions of the Delaware General Corporation Law, New Mountain Finance's amended and restated certificate of incorporation and amended and restated bylaws. This summary is not necessarily complete, and we refer you to the Delaware General Corporation Law, New Mountain Finance's amended and restated certificate of incorporation and amended and restated bylaws for a more detailed description of the provisions summarized below.

Capital Stock

New Mountain Finance's authorized capital stock shall consist of 100,000,000 shares of common stock, par value $0.01 per share, of which, immediately after this offering, 11,597,791 shares will be outstanding, assuming no exercise of the underwriters' overallotment option to purchase additional shares, and 2,000,000 shares of preferred stock, par value $0.01, of which no shares are currently outstanding. There is currently no market for New Mountain Finance's common stock, and we can offer no assurances that a market for New Mountain Finance's shares will develop in the future. New Mountain Finance intends to apply to have its common stock listed on the New York Stock Exchange under the ticker symbol "NMFC". No stock has been authorized for issuance under any equity compensation plans. Under Delaware law, New Mountain Finance's stockholders generally will not be personally liable for our debts or obligations.

The following are New Mountain Finance's outstanding classes of securities as of May 5, 2011:

(1) Title of Class	(2) Amount Authorized	(3) Amount Held by New Mountain Finance or for Its Account	(4) Amount Outstanding Exclusive of Amount Under Column 3
Common Stock	1,000	0	1

Common Stock

Under the terms of New Mountain Finance's amended and restated certificate of incorporation, all shares of New Mountain Finance's common stock will have equal rights as to earnings, assets, dividends and voting and, when they are issued, will be duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of New Mountain Finance's common stock if, as and when authorized by New Mountain Finance's board of directors and declared by New Mountain Finance out of funds legally available therefore. Shares of New Mountain Finance's common stock will have no preemptive, exchange, conversion or redemption rights and will be freely transferable, except where their transfer is restricted by federal and state securities laws or by contract. In the event of New Mountain Finance's liquidation, dissolution or winding up, each share of its common stock would be entitled to share ratably in all of its assets that are legally available for distribution after it pays all debts and other liabilities and subject to any preferential rights of holders of its preferred stock, if any preferred stock is outstanding at such time. Each share of New Mountain Finance's common stock will be entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of New Mountain Finance's common stock will possess exclusive voting power. There will be no cumulative voting in the election of directors, which means that holders of a majority of the outstanding shares of common stock will be able to elect all of New Mountain Finance's directors (other than directors to be elected solely by the holders of preferred stock), and holders of less than a majority of such shares will be unable to elect any director.

New Mountain Finance's amended and restated certificate of incorporation will require New Mountain Finance at all times to reserve and keep available out of its authorized but unissued shares of common stock the number of shares that are issuable upon exchange of all outstanding the Operating Company common membership units held by AIV Holdings and, if applicable with respect to any common membership units received as payment of the incentive fee, the Investment Adviser.

Preferred Stock

New Mountain Finance's amended and restated certificate of incorporation authorizes its board of directors to issue preferred stock. Prior to the issuance of shares of each class or series, the board of directors is required by Delaware law and by New Mountain Finance's amended and restated certificate of incorporation to set the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the board of directors could authorize the issuance of shares of preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of New Mountain Finance's common stock or otherwise be in their best interest. You should note, however, that any issuance of preferred stock must comply with the requirements of the 1940 Act. The 1940 Act requires, among other things, that (1) immediately after issuance and before any dividend or other distribution is made with respect to New Mountain Finance's common stock and before any purchase of common stock is made, such preferred stock together with all other senior securities must not exceed an amount equal to 50% of the Operating Company's total assets after deducting the amount of such dividend, distribution or purchase price, as the case may be, and (2) the holders of shares of preferred stock, if any are issued, must be entitled as a class to elect two directors at all times and to elect a majority of the directors if dividends on such preferred stock are in arrears by two full years or more. Certain matters under the 1940 Act require the separate vote of the holders of any issued and outstanding preferred stock. For example, holders of preferred stock would vote separately from the holders of common stock on a proposal to cease operations as a business development company. We believe that the availability for issuance by New Mountain Finance of preferred stock will provide us with increased flexibility in structuring future financings and acquisitions. However, New Mountain Finance does not currently have any plans to issue preferred stock.

Limitation on Liability of Directors and Officers; Indemnification and Advance of Expenses

The Delaware General Corporation Law authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. New Mountain Finance's amended and restated certificate of incorporation will include a provision that eliminates the personal liability of its directors for monetary damages for actions taken as a director, except for liability:

- for breach of duty of loyalty;
- for acts or omissions not in good faith or involving intentional misconduct or knowing violation of law;
- under Section 174 of the DGCL (unlawful dividends); or
- for transactions from which the director derived improper personal benefit.

Under New Mountain Finance's amended and restated bylaws, New Mountain Finance will fully indemnify any person who was or is involved in any actual or threatened action, suit or proceeding by reason of the fact that such person is or was one of New Mountain Finance's directors or officers. So long as New Mountain Finance is regulated under the 1940 Act, the above

indemnification and limitation of liability is limited by the 1940 Act or by any valid rule, regulation or order of the SEC thereunder. The 1940 Act provides, among other things, that a company may not indemnify any director or officer against liability to it or its security holders to which he or she might otherwise be subject by reason of his or her willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office unless a determination is made by final decision of a court, by vote of a majority of a quorum of directors who are disinterested, non-party directors or by independent legal counsel that the liability for which indemnification is sought did not arise out of the foregoing conduct.

Delaware law also provides that indemnification permitted under the law shall not be deemed exclusive of any other rights to which the directors and officers may be entitled under the corporation's bylaws, any agreement, a vote of stockholders or otherwise.

New Mountain Finance has obtained liability insurance for its officers and directors.

Delaware Law and Certain Certificate of Incorporation and Bylaw Provisions; Anti-Takeover Measures

Certain provisions of New Mountain Finance's amended and restated certificate of incorporation and amended and restated bylaws, as summarized below, and applicable provisions of the Delaware General Corporation Law and certain other agreements to which New Mountain Finance is a party may make it more difficult for or prevent an unsolicited third party from acquiring control of New Mountain Finance or changing its board of directors and management. These provisions may have the effect of deterring hostile takeovers or delaying changes in New Mountain Finance's control or in its management. These provisions are intended to enhance the likelihood of continued stability in the composition of New Mountain Finance's board of directors and in the policies furnished by them and to discourage certain types of transactions that may involve an actual or threatened change in New Mountain Finance's control. The provisions also are intended to discourage certain tactics that may be used in proxy fights. These provisions, however, could have the effect of discouraging others from making tender offers for New Mountain Finance's shares and, as a consequence, they also may inhibit fluctuations in the market price of New Mountain Finance's shares that could result from actual or rumored takeover attempts.

Classified Board; Vacancies; Removal. The classification of New Mountain Finance's board of directors and the limitations on removal of directors and filling of vacancies could have the effect of making it more difficult for a third party to acquire New Mountain Finance, or of discouraging a third party from acquiring New Mountain Finance. New Mountain Finance's board of directors will be divided into three classes, with the term of one class expiring at each annual meeting of stockholders. At each annual meeting, one class of directors is elected to a three-year term. This provision could delay for up to two years the replacement of a majority of the board of directors.

New Mountain Finance's amended and restated certificate of incorporation provides that, subject to the applicable requirements of the 1940 Act and the rights of any holders of preferred stock, any vacancy on the board of directors, however the vacancy occurs, including a vacancy due to an enlargement of the board, may only be filled by vote a majority of the directors then in office.

A director may be removed at any time at a meeting called for that purpose, but only for cause and only by the affirmative vote of the holders of at least 75% of the shares then entitled to vote for the election of the respective director.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. New Mountain Finance's amended and restated bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the board of directors and the proposal of business to be considered by stockholders may be made only (1) by or at the direction of the

board of directors or (2) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of the amended and restated bylaws. Nominations of persons for election to the board of directors at a special meeting may be made only (1) by or at the direction of the board of directors or (2) provided that the board of directors has determined that directors will be elected at the meeting, by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of the amended and restated bylaws. The purpose of requiring stockholders to give New Mountain Finance advance notice of nominations and other business is to afford New Mountain Finance's board of directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by New Mountain Finance's board of directors, to inform its stockholders and make recommendations about such qualifications or business, as well as to approve a more orderly procedure for conducting meetings of stockholders. Although New Mountain Finance's amended and restated bylaws do not give its board of directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to New Mountain Finance and its stockholders.

Amendments to Certificate of Incorporation and Bylaws. Delaware's corporation law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws requires a greater percentage. New Mountain Finance's amended and restated certificate of incorporation will provide that the following provisions, among others, may be amended by its stockholders only by a vote of at least two-thirds of the shares of New Mountain Finance's capital stock entitled to vote:

- the classification of its board of directors;
- the removal of directors;
- the limitation on shareholder action by written consent;
- the limitation of directors' personal liability to New Mountain Finance or its shareholders for breach of fiduciary duty as a director;
- the ability to call a Special Meeting of Shareholders being vested in New Mountain Finance's board of directors, the Chairperson of its board, New Mountain Finance's Chief Executive Officer and in the holders of at least fifty (50) percent of the voting power of all shares of capital stock of New Mountain Finance generally entitled to vote on the election of directors then outstanding subject to certain procedures; and
- the amendment provision requiring that the above provisions be amended only with a two-thirds supermajority vote.

The amended and restated bylaws generally can be amended by approval of (i) a majority of the total number of authorized directors or (ii) the affirmative vote of the holders of at least two-thirds of the shares of New Mountain Finance's capital stock entitled to vote.

Calling of Special Meetings by Stockholders. New Mountain Finance's certificate of incorporation and bylaws also provide that special meetings of the stockholders may only be called by New Mountain Finance's board of directors, the Chairperson of its board, New Mountain Finance's Chief Executive Officer or upon the request of the holders of at least fifty (50) percent of

the voting power of all shares of capital stock of New Mountain Finance, generally entitled to vote on the election of directors then outstanding, subject to certain limitations.

Section 203 of the Delaware General Corporation Law. We will not be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the "business combination" or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status, did own) 15% or more of a corporation's voting stock. In our certificate of incorporation, we have elected not to be bound by Section 203.

The Credit Facility also includes change of control provisions that accelerate the indebtedness under the facility in the event of certain change of control events. If certain transactions were engaged in without the consent of the lender, repayment obligations under the Credit Facility could be accelerated.

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there has been no public market for New Mountain Finance's common stock. Sales of substantial amounts of New Mountain Finance's unregistered common stock in the public market, including by AIV Holdings, if it exercises its right to exchange all or any portion of its common membership units of the Operating Company for shares of New Mountain Finance's common stock on a one-for-one basis, or New Mountain Guardian Partners, L.P., or its transferees, or the perception that such sales could occur, could adversely affect the prevailing market price of New Mountain Finance's common stock and New Mountain Finance's future ability to raise capital through the sale of its equity securities.

Upon completion of this offering (after giving effect to the formation transactions), 11,597,791 shares of New Mountain Finance's common stock and 31,819,729 common membership units of the Operating Company will be outstanding (or 12,840,567 shares of New Mountain Finance's common stock and 33,062,505 common membership units of the Operating Company if the underwriters exercise their option to purchase additional shares in full). Of these shares, the 8,285,172 shares sold in this offering will be freely tradable without restrictions or further registration under the Securities Act, unless those shares are purchased by "affiliates" as that term is defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 under the Securities Act. Any shares of New Mountain Finance's common stock to be received by New Mountain Guardian Partners, L.P. or its transferees or issued in exchange for common membership units of the Operating Company held by AIV Holdings or the Investment Adviser, if applicable with respect to any common membership units received as payment of the incentive fee, are not expected to be registered under the Securities Act in connection with this offering. Accordingly, these shares would be eligible for public sale only if registered under the Securities Act or sold in accordance with Rule 144 of the Securities Act. New Mountain Finance has granted AIV Holdings, Steven B. Klinsky, an entity related to Mr. Klinsky, the Investment Adviser and their permitted transferees the registration rights described below.

Rule 144

In general, a person who has beneficially owned restricted shares of New Mountain Finance's common stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of New Mountain Finance's affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) New Mountain Finance is subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Persons who have beneficially owned restricted shares or New Mountain Finance's common stock for at least six months but who are New Mountain Finance's affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of New Mountain Finance's common stock then outstanding; or
- the average weekly trading volume of New Mountain Finance's common stock on the NYSE for the four calendar weeks prior to the sale,

provided, in each case, that New Mountain Finance is subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales must also comply with the manner of sale, current public information and notice provisions of Rule 144.

Registration Rights

As described in "Formation Transactions and Related Agreements", AIV Holdings will have the right to exchange all or any portion of its common membership units of the Operating Company for shares of New Mountain Finance's common stock, on a one-for-one basis. Pursuant to the

registration rights agreement described above in "Formation Transactions and Related Agreements", AIV Holdings and the Investment Adviser will have the right, subject to various conditions and limitations, to demand the filing of, and include any registerable securities held by AIV Holdings in, registration statements relating to New Mountain Finance's common stock, subject to the 180-day lock-up arrangement described below. Furthermore, if New Mountain Finance and the Operating Company receive exemptive relief to permit the Operating Company to pay 50%, on an after tax basis, of the incentive fee in common membership units of the Operating Company, any such common membership units received by the Investment Adviser will be subject to registration rights and also be exchangeable for shares of New Mountain Finance's common stock on a one-for-one basis, subject to the lock-up agreement described below. There can be no assurance that relief will be granted. Furthermore, Steven B. Klinsky and a related entity will have the right to "piggyback", or include their own registrable securities in a demand registration. These registration rights could impair the prevailing market price and impair New Mountain Finance's ability to raise capital by depressing the price at which it could sell its common stock.

Lock-up Agreements

Each of New Mountain Finance's officers and directors, New Mountain Guardian Partners, L.P. (and its transferees), and each of the members of our Investment Adviser's investment committee have agreed for a period of 180 days from the date of this prospectus, subject to limited exceptions, not to offer, sell or otherwise dispose of any shares of our common stock, options or warrants to acquire shares of our common stock or securities convertible into shares of our common stock owned by them, except with the prior written consent of Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated. The 180-day restricted period will be automatically extended if: (1) during the last 17 days of the 180-day restricted period we issue an earnings release or announce material news or a material event; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 15-day period following the last day of the 180-day period, in which case the restrictions described above will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event. Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated have advised us that they have no present intention to, and have not been advised of any circumstances that would lead it to, grant an early release of this restriction. Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated may, however, at any time without notice, release all or any portion of the shares subject to these lock-up agreements. Any early waiver of the lock-up agreements may not be accompanied by an advance public announcement by us, could permit sales of a substantial number of shares and could adversely affect the trading price of our shares. AIV Holdings has also entered into a similar lock-up agreement that prevents the exchange of its common membership units of the Operating Company for up to 180 days after the date of this prospectus, subject to carve outs and an extension in certain circumstances as set forth in "Underwriting".

In addition, to the extent New Mountain Finance and the Operating Company receive exemptive relief from the SEC to permit the Operating Company to pay 50%, on or after tax basis, of the incentive fee in common membership units of the Operating Company, any common membership units so received by the Investment Adviser will be subject to a 3-year lock-up agreement. Pursuant to this agreement, one-third of the common membership units received by the Investment Adviser will be released from the lock-up agreement on an annual basis until the expiration of each 3-year lock-up period. If the Investment Management Agreement is terminated by the Operating Company, then the lock-up provisions with respect to any shares of New Mountain Finance common stock received by the Investment Adviser or its transferees pursuant to the Investment Management Agreement immediately expire.

MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of the material federal income tax considerations applicable to New Mountain Finance and an investment in shares of New Mountain Finance's common stock. The discussion is based upon the Internal Revenue Code of 1986, as amended, which we refer to as the "Code", the regulations of the U.S. Department of Treasury promulgated thereunder, which we refer to as the "Treasury regulations", the legislative history of the Code, current administrative interpretations and practices of the Internal Revenue Service, which we refer to as the "IRS", (including administrative interpretations and practices of the IRS expressed in private letter rulings which are binding on the IRS only with respect to the particular taxpayers that requested and received those rulings) and judicial decisions, each as of the date of this prospectus and all of which are subject to change or differing interpretations, possibly retroactively, which could affect the continuing validity of this discussion. The U.S federal income tax laws addressed in this summary are highly technical and complex, and certain aspects of their application to the Operating Company and New Mountain Finance are not completely clear. In addition, certain U.S. federal income tax consequences described in this summary depend upon certain factual matters, including (without limitation) the value and tax basis ascribed to the Operating Company's assets and the manner in which the Operating Company and New Mountain Finance operate, and certain complicated tax accounting calculations. New Mountain Finance and the Operating Company have not sought, and will not seek, any ruling from the IRS regarding any matter discussed in this summary, and this summary is not binding on the IRS. Accordingly, there can be no assurance that the IRS will not assert, and a court will not sustain, a position contrary to any of the tax consequences discussed below. This summary does not purport to be a complete description of all the tax aspects affecting New Mountain Finance, the Operating Company and/or New Mountain Finance stockholders. For example, this summary does not describe all federal income tax consequences that may be relevant to certain types of stockholders subject to special treatment under federal income tax laws, including stockholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, partnerships or other pass-through entities and their owners, persons that hold shares of New Mountain Finance's common stock through a foreign financial institution, persons that hold shares of New Mountain Finance's common stock through a non-financial foreign entity, Non-U.S. stockholders (as defined below) engaged in a trade or business in the United States or Non-U.S. stockholders entitled to claim the benefits of an applicable income tax treaty, persons who have ceased to be U.S. citizens or to be taxed as resident aliens, persons holding New Mountain Finance's common stock in connection with a hedging, straddle, conversion or other integrated transaction, dealers in securities, a trader in securities that elects to use a market-to-market method of accounting for its securities holdings, pension plans and trusts, and financial institutions. This summary assumes that stockholders hold New Mountain Finance's common stock as capital assets for federal income tax purposes (generally, assets held for investment) and that all of the parties to the LLC Agreement comply with all of their respective representations, covenants and agreements contained in the LLC Agreement in accordance with their terms. This summary generally does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under federal income tax laws that could result if the Operating Company invested in tax-exempt securities or certain other investment assets.

A "U.S. stockholder" generally is a beneficial owner of shares of New Mountain Finance's common stock that is, for federal income tax purposes:

- A citizen or individual resident of the United States;
- A corporation, or other entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any state thereof, including, for this purpose, the District of Columbia;

- A trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantive decisions of the trust, or (ii) the trust has in effect a valid election to be treated as a domestic trust for federal income tax purposes; or

- An estate, the income of which is subject to federal income taxation regardless of its source.

A "Non-U.S. stockholder" generally is a beneficial owner of shares of New Mountain Finance's common stock that is not a U.S. stockholder or a partnership (or an entity or arrangement treated as a partnership) for federal income tax purposes.

If a partnership, or other entity or arrangement treated as a partnership for federal income tax purposes, holds shares of New Mountain Finance's common stock, the federal income tax treatment of the partnership and each partner generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. A stockholder that is a partnership holding shares of New Mountain Finance's common stock, and each partner in such a partnership, should consult his, her or its own tax adviser with respect to the tax consequences of the purchase, ownership and disposition of shares of New Mountain Finance's common stock.

Tax matters are very complicated and the tax consequences to each stockholder of an investment in shares of New Mountain Finance's common stock will depend on the facts of his, her or its particular situation. Prospective investors should refer to "— Recently Enacted Legislation" below for a description of recently enacted legislation that imposes, effective for payments made after December 31, 2012, a 30% federal withholding tax on payments of distributions on, and the gross proceeds of a sale of, New Mountain Finance's common stock to a foreign financial institution or non-financial foreign entity, unless various reporting requirements are satisfied (and stockholders may be required to provide certain information in connection with these reporting requirements). You should consult your own tax adviser regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of federal, state, local and foreign tax laws, eligibility for the benefits of any applicable income tax treaty and the effect of any possible changes in the tax laws.

New Mountain Finance's Election to be Taxed as a RIC

New Mountain Finance intends to elect to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011. As a RIC, New Mountain Finance generally will not pay corporate-level federal income taxes on any income that New Mountain Finance timely distributes to its stockholders as dividends. Rather, dividends distributed by New Mountain Finance generally will be taxable to New Mountain Finance's stockholders, and any net operating losses, foreign tax credits and other tax attributes of New Mountain Finance generally will not pass through to New Mountain Finance's stockholders, subject to special rules for certain items such as net capital gains and qualified dividend income recognized by New Mountain Finance. See "— Taxation of U.S. Stockholders" and "— Taxation of Non-U.S. Stockholders" below.

To qualify as a RIC, New Mountain Finance must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, to qualify as a RIC, New Mountain Finance must distribute to its stockholders, for each taxable year, at least 90% of its "investment company taxable income", which is generally its net ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses (the "Annual Distribution Requirement").

Taxation of New Mountain Finance as a RIC

If New Mountain Finance:

- qualifies as a RIC; and
- satisfies the Annual Distribution Requirement,

then New Mountain Finance will not be subject to federal income tax on the portion of its income that it timely distributes (or is deemed to timely distribute) to its stockholders. New Mountain Finance will be subject to federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) to its stockholders.

New Mountain Finance will be subject to a 4% nondeductible federal excise tax on certain undistributed income unless New Mountain Finance distributes in a timely manner an amount at least equal to the sum of (1) 98% of its net ordinary income for each calendar year, (2) 98.2% of its capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years (the "Excise Tax Avoidance Requirement"). While New Mountain Finance intends to make distributions to its stockholders in each taxable year that will be sufficient to avoid any federal excise tax on its earnings, there can be no assurance that New Mountain Finance will be successful in entirely avoiding this tax.

In order to qualify as a RIC for federal income tax purposes, New Mountain Finance must, among other things:

- continue to qualify as a business development company under the 1940 Act at all times during each taxable year;
- derive in each taxable year at least 90% of its gross income from dividends, interest, payments with respect to loans of certain securities, gains from the sale of stock or other securities, net income from certain "qualified publicly traded partnerships", or other income derived with respect to New Mountain Finance's business of investing in such stock or securities (the "90% Income Test"); and
- diversify its holdings so that at the end of each quarter of the taxable year:
    - at least 50% of the value of New Mountain Finance's assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of New Mountain Finance's assets or more than 10% of the outstanding voting securities of the issuer; and
    - no more than 25% of the value of New Mountain Finance's assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by New Mountain Finance and that are engaged in the same or similar or related trades or businesses or of certain "qualified publicly traded partnerships" (the "Diversification Tests").

As discussed above in "Formation Transactions and Related Agreements — Holding Company Structure", after completion of the formation transactions and this offering, New Mountain Finance's sole asset will be its direct ownership of common membership units in the Operating Company, and New Mountain Finance's only source of cash flow from operations will be distributions from the Operating Company. As discussed below, the Operating Company expects to be treated for federal income tax purposes as a partnership in each taxable year (or portion thereof) during which the Operating Company has at least two members.

For federal income tax purposes, New Mountain Finance will take into account in each taxable year (or portion thereof) during which the Operating Company is treated as a partnership for such purposes, New Mountain Finance's allocable share of the Operating Company's items of income,

gain, loss, deduction and credit, subject to the discussion in "— Investment in the Operating Company" below. If New Mountain Finance becomes the Operating Company's sole member, the Operating Company will be treated as a disregarded entity for federal income tax purposes, and New Mountain Finance will take into account all of the Operating Company's assets and items of income, gain, loss, deduction and credit for such purposes.

SLF expects to be treated as a disregarded entity for federal income tax purposes. As a result, SLF will itself not be subject to federal income tax and, for federal income tax purposes, the Operating Company will take into account all of SLF's assets and items of income, gain, loss, deduction and credit. In the remainder of this discussion, except as otherwise indicated, references to the Operating Company include SLF.

The Code mandates a partnership look-through rule in applying the 90% Income Test to a RIC that holds an interest in a partnership. Therefore, New Mountain Finance's allocable share of the Operating Company's income will be treated as qualifying income for purposes of the 90% Income Test to the extent that such income would be qualifying income if realized directly by New Mountain Finance in the same manner as such income was realized by the Operating Company.

You should be aware that the Code and applicable Treasury regulations do not contain an explicit partnership look-through rule for purposes of the Diversification Tests. However, analogous provisions in the tax law, general principles of partnership taxation and the purpose and intention of the tax laws governing RICs support partnership look-through treatment for this purpose. In addition, in Revenue Procedure 2001-57 (the "Revenue Procedure"), the IRS provided a safe harbor for a typical "master-feeder" structure pursuant to which a RIC that invests in an investment partnership (similar to the Operating Company) will be treated for purposes of the Diversification Tests as if the RIC directly invested in the assets held by such partnership, determined in accordance with the RIC's percentage ownership of the capital interests in such partnership, if the RIC meets certain requirements. Most importantly, the Revenue Procedure requires that, except as required by Section 1.704-3 of the Treasury regulations, the RIC's allocable share of each item of the partnership's income, gain, loss, deduction, and credit is proportionate to the RIC's percentage ownership of the capital interests in the partnership (the "Proportionate Allocation Requirement"). Although New Mountain Finance will not satisfy all of the requirements of the Revenue Procedure, New Mountain Finance will satisfy the Proportionate Allocation Requirement, which appears to be the main substantive requirement of the Revenue Procedure. The Revenue Procedure reflects the administrative interpretations of the IRS in rulings that have been issued to other taxpayers and the IRS's administrative practice in other revenue procedures. However, such administrative interpretations and practice do not constitute official precedent that is binding on a court or the IRS. Accordingly, although there is no authority directly applicable to New Mountain Finance and thus the matter is not free from doubt, it is expected that New Mountain Finance will be treated as if it directly invested in its pro rata share of the assets held by the Operating Company for purposes of the Diversification Tests. Nevertheless, there can be no assurance that the IRS will not successfully assert that New Mountain Finance does not meet the Diversification Tests because it is unable to look through to the Operating Company's assets for purposes of the Diversification Tests. In that case, New Mountain Finance would fail to qualify as a RIC and thus become subject to corporate-level federal income tax (and any applicable state and local taxes).

Subject to the foregoing, it is intended (1) that the Operating Company will be operated in a manner that enables New Mountain Finance to satisfy the 90% Income Test and the Diversification Tests on a look-through basis, and (2) that the distributions made by the Operating Company to its members will be sufficient to enable New Mountain Finance to satisfy the Annual Distribution Requirement and Excise Tax Avoidance Requirement, thereby enabling New Mountain Finance to qualify and maintain its status as a RIC and avoid the 4% federal excise tax on its earnings. However, no assurance can be given in this regard.

For federal income tax purposes, New Mountain Finance will include in its taxable income its allocable share of certain amounts that the Operating Company has not yet received in cash. For example, if the Operating Company holds debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or issued with warrants), New Mountain Finance must include in its taxable income in each year its allocable share of the portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by the Operating Company in the same taxable year. New Mountain Finance may also have to include in its taxable income its allocable share of other amounts that the Operating Company has not yet received in cash, such as accruals on a contingent payment debt instrument or deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. Because New Mountain Finance's allocable share of such original issue discount or other amounts accrued will be included in New Mountain Finance's investment company taxable income for the year of accrual and before the Operating Company receives any corresponding cash payments, New Mountain Finance may be required to make a distribution to its stockholders in order to satisfy the Annual Distribution Requirement, even though New Mountain Finance will not have received any corresponding distribution from the Operating Company.

Accordingly, to enable the Operating Company to make distributions to its members that will be sufficient to enable New Mountain Finance to satisfy the Annual Distribution Requirement, the Operating Company may need to sell some of the Operating Company's assets at times and/or at prices that the Operating Company would not consider advantageous, New Mountain Finance or the Operating Company may need to raise additional equity or debt capital or the Operating Company may need to forego new investment opportunities or otherwise take actions that are disadvantageous to the Operating Company's business (or be unable to take actions that are advantageous to the Operating Company's business). If the Operating Company or New Mountain Finance is unable to obtain cash from other sources to enable New Mountain Finance to satisfy the Annual Distribution Requirement, New Mountain Finance may fail to qualify for the federal income tax benefits allowable to RICs and, thus, become subject to a corporate-level federal income tax (and any applicable state and local taxes).

Because the Operating Company intends to use debt financing, the Operating Company may be prevented by financial covenants contained in the Credit Facility, the SLF Credit Facility and other debt financing agreements from making distributions to the Operating Company's members in certain circumstances. In addition, under the 1940 Act, the Operating Company is generally not permitted to make distributions to the Operating Company's members while the Operating Company's debt obligations and other senior securities are outstanding unless certain "asset coverage" tests are met. See "Regulation — Senior Securities". Limits on the Operating Company's distributions to its members may prevent New Mountain Finance from satisfying the Annual Distribution Requirement and, therefore, may jeopardize New Mountain Finance's qualification for taxation as a RIC, or subject New Mountain Finance to the 4% federal excise tax.

Although the Operating Company does not presently expect to do so, the Operating Company may borrow funds and sell assets in order to make distributions to its members that are sufficient for New Mountain Finance to satisfy the Annual Distribution Requirement. However, the Operating Company's ability to dispose of assets may be limited by (1) the illiquid nature of the Operating Company's portfolio and/or (2) other requirements relating to New Mountain Finance's status as a RIC, including the Diversification Tests. If the Operating Company disposes of assets in order for New Mountain Finance to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, the Operating Company may make such dispositions at times that, from an investment standpoint, are not advantageous.

A RIC is limited in its ability to deduct expenses in excess of its "investment company taxable income" (which is, generally, ordinary income plus the excess of realized net short-term capital gains over realized net long-term capital losses). If New Mountain Finance's expenses in a given year exceed New Mountain Finance's investment company taxable income, New Mountain Finance would experience a net operating loss for that year. However, a RIC is not permitted to carry forward net operating losses to subsequent years and such net operating losses do not pass through to its stockholders. In addition, expenses can be used only to offset investment company taxable income, not net capital gain. A RIC may not use any net capital losses (that is, realized capital losses in excess of realized capital gains) to offset the RIC's investment company taxable income, but may carry forward such losses, and use them to offset capital gains, indefinitely. Due to these limits on the deductibility of expenses and net capital losses, New Mountain Finance may for tax purposes have aggregate taxable income for several years that New Mountain Finance is required to distribute and that is taxable to its stockholders even if such income is greater than the aggregate net income New Mountain Finance actually earned during those years. Because New Mountain Finance will be a holding company, New Mountain Finance will only be able to make such required distributions on its common stock from distributions received from the Operating Company. Such distributions to New Mountain Finance may be made from the Operating Company's cash assets or by liquidation of the Operating Company's investments, if necessary. The Operating Company may recognize gains or losses from such liquidations. In the event the Operating Company recognizes net capital gains from such transactions, New Mountain Finance will be required to take into account its allocable share of such net capital gains (subject to the discussion in "— Investment in the Operating Company" below) and, consequently, you may receive a larger capital gain distribution than you would have received in the absence of such transactions.

Failure of New Mountain Finance to Qualify as a RIC

If New Mountain Finance fails to satisfy the 90% Income Test or the Diversification Tests for any taxable year or quarter of such taxable year, it may nevertheless continue to qualify as a RIC for such year if certain relief provisions of the Code apply (which may, among other things, require it to pay certain corporate-level federal taxes or to dispose of certain assets). If New Mountain Finance fails to qualify for treatment as a RIC and such relief provisions do not apply to New Mountain Finance, New Mountain Finance will be subject to federal income tax on all of its taxable income at regular corporate rates (and also will be subject to any applicable state and local taxes), regardless of whether New Mountain Finance makes any distributions to its stockholders. Distributions would not be required. Any such distributions would be taxable to its stockholders as ordinary dividend income and, subject to certain limitations under the Code, any such distributions made in taxable years beginning before January 1, 2013 would be eligible for the 15% maximum rate applicable to non-corporate taxpayers to the extent of New Mountain Finance's current or accumulated earnings and profits. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of New Mountain Finance's current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's tax basis, and any remaining distributions would be treated as a capital gain.

Subject to a limited exception applicable to RICs that qualified as such under Subchapter M of the Code for at least one year prior to disqualification and that requalify as a RIC no later than the second year following the non-qualifying year, New Mountain Finance could be subject to tax on any unrealized net built-in gains in the assets held by New Mountain Finance during the period in which New Mountain Finance failed to qualify as a RIC that are recognized during the 10-year period after its requalification as a RIC, unless New Mountain Finance made a special election to pay corporate-level federal income tax on such built-in gain at the time of New Mountain Finance's requalification as a RIC. New Mountain Finance may decide to be taxed as a regular corporation

even if New Mountain Finance would otherwise qualify as a RIC if New Mountain Finance determines that treatment as a corporation for a particular year would be in its best interests.

Investment in the Operating Company

As of March 31, 2011 and December 31, 2010, respectively, the total fair market value of the Operating Company's existing assets was estimated to exceed their total adjusted tax basis for federal income tax purposes by approximately $31.4 million and $30.9 million (such excess is referred to herein as the "net built-in gains"), comprised of approximately $31.8 million and $32 million of built-in gains and approximately $0.4 million and $1.1 million of built-in losses. Included in the $31.4 million and $30.9 million of net built-in gains was approximately $1.9 million and $1.7 million of built-in gains that was estimated to be attributable to Guardian Partners' existing assets. As discussed in more detail below, the structure resulting from the formation transactions is designed to generally prevent New Mountain Finance from recognizing taxable income in respect of the built-in gains in our existing assets (generally determined as of the cutoff date) with the result that any distributions made to New Mountain Finance's stockholders that are attributable to such built-in gains generally will not be treated as taxable dividends.

Taxation of the Operating Company

In general, a partnership (other than a publicly traded partnership taxable as a corporation) is not subject to federal income tax on its income. Rather, the partners of the partnership must report on their federal income tax returns their allocable share of the items of income, gain, loss, deduction and credit of the partnership, and are potentially subject to federal income tax thereon, without regard to whether the partners receive any distributions from the partnership. Generally, an entity with two or more members formed as a partnership or limited liability company under state law will be treated as a partnership for federal income tax purposes unless the entity specifically elects to be taxable as a corporation. It is expected that the Operating Company will be treated for federal income tax purposes as a partnership for so long as the Operating Company has at least two members because the Operating Company was formed as a limited liability company under state law and will not elect to be taxable as a corporation.

However, an entity that would otherwise be classified as a partnership for federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership". A partnership would be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury regulations. The LLC Agreement contains certain limitations on transfers and redemptions of the common membership units of the Operating Company that are intended to cause the Operating Company to qualify for an exemption from being a publicly traded partnership under one or more of the safe harbors contained in the applicable Treasury regulations. Accordingly, it is expected that the Operating Company will not be treated as a publicly traded partnership taxable as a corporation. Nevertheless, if for any reason the Operating Company were taxable as a corporation, New Mountain Finance would be treated as owning, as its sole asset, interests in a corporation. Consequently, New Mountain Finance would be unable to satisfy the Diversification Tests which, in turn, would prevent New Mountain Finance from qualifying as a RIC. See "— Failure of New Mountain Finance to Qualify as a RIC" for a discussion of the effect of New Mountain Finance's failure to meet the Diversification Tests for a taxable year. In addition, the Operating Company's income would be subject to corporate-level federal income tax.

This entire discussion (including the discussion above under "Taxation of New Mountain Finance as a RIC") assumes that the Operating Company will be treated as a partnership that is not a publicly traded partnership taxable as a corporation in each taxable year (or portion thereof) during which the Operating Company has at least two members.

Allocations of Income, Gain, Loss, Deduction and Credit

The LLC Agreement provides that, except as required by Section 704(c) of the Code and Section 1.704-3 of the Treasury regulations (discussed below), items of income, gain, loss, deduction and credit will be allocated to the members of the Operating Company, including New Mountain Finance, in proportion to the number of outstanding common membership units of the Operating Company held by each such member. It is expected that the allocations of these items provided for in the LLC Agreement will comply with the requirements regarding partnership allocations contained in Section 704(b) of the Code and the Treasury regulations. If the IRS were to determine that the allocations did not so comply, these items would be reallocated in accordance with the partners' interest in the partnership.

Tax Allocations With Respect to Certain Assets

Under Section 704(c) of the Code and Section 1.704-3 of the Treasury regulations, income, gain, loss and deduction attributable to an appreciated or depreciated asset that is contributed to a partnership in exchange for an interest in the partnership, or is attributable to an asset of the partnership that has been revalued on the books of the partnership, must be allocated in a manner so that the contributing partner, or the partners that held an interest in the partnership at the time of such revaluation, are allocated the tax gain or loss attributable to the unrealized gain or unrealized loss in the asset at the time of such contribution or revaluation. The amount of the unrealized gain or unrealized loss generally is equal to the difference (i.e., the book-tax difference) between the fair market value and the adjusted tax basis of the relevant asset at the time of contribution or revaluation, as adjusted from time to time. These allocations are designed so that the taxable gain or loss on an asset contributed or revalued is allocated to the partners that earned such gain or loss for economic purposes. These allocations are solely for federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

For federal income tax purposes, Guardian AIV and New Mountain Guardian Partners, L.P. contributed assets with built-in gains and built-in losses to the Operating Company in exchange for common membership units of the Operating Company in connection with the formation transactions. In certain circumstances, book-tax differences may arise as a result of a revaluation of the Operating Company's assets, including in connection with contributions by New Mountain Finance to the Operating Company of distributions reinvested by New Mountain Finance's stockholders under New Mountain Finance's dividend reinvestment plan. The LLC Agreement requires that allocations attributable to these assets be made in a manner consistent with Section 704(c) of the Code and Section 1.704-3 of the Treasury regulations.

It is expected that the built-in gains (determined as of the cutoff date subject to reasonable adjustments as determined by the Operating Company's board of directors) attributable to the assets contributed by Guardian AIV to the Operating Company, when recognized by the Operating Company for federal income tax purposes, either (i) will be allocated to AIV Holdings (and not New Mountain Finance) or (ii) will be allocated to New Mountain Finance to the extent attributable to common membership units of the Operating Company that New Mountain Finance acquired from AIV Holdings in exchange for shares of New Mountain Finance common stock, but that any such allocations of built-in gains to New Mountain Finance generally will be offset as a result of upward adjustments in New Mountain Finance's share of the Operating Company's tax basis in the assets contributed by Guardian AIV to the Operating Company arising as a result of New Mountain Finance's acquisition of such common membership units (as discussed below). Similarly, it is expected that the built-in gains (determined as of the cutoff date subject to reasonable adjustments as determined by the Operating Company's board of directors) attributable to the assets contributed by New Mountain Guardian Partners, L.P. to the Operating Company, when recognized by the Operating Company for federal income tax purposes, will be allocated to New Mountain Finance, but that, except as discussed below, any such allocations of built-in gains to New

Mountain Finance will be offset as a result of upward adjustments in New Mountain Finance's share of the Operating Company's tax basis in the assets contributed by New Mountain Guardian Partners, L.P. to the Operating Company. Accordingly, except as discussed below, it is expected that the allocations of built-in gains to AIV Holdings and the upward adjustments in New Mountain Finance's share of the Operating Company's tax basis in its assets (in the case of assets contributed by Guardian AIV to the Operating Company, as a general matter, provided the value per share of the shares of New Mountain Finance common stock received by AIV Holdings in each exchange is not less than the cutoff NAV per unit of the Operating Company subject to any such adjustments referred to above) will generally prevent New Mountain Finance from recognizing taxable income in respect of the built-in gains in our existing assets (determined as of the cutoff date subject to any such adjustments referred to above), when such built-in gains are recognized by the Operating Company for federal income tax purposes, with the result that any distributions made to New Mountain Finance's stockholders that are attributable to such recognized built-in gains generally will not be treated as taxable dividends. It is expected that, under Section 704(c)(1)(C) of the Code, any built-in losses in our existing assets (determined as of the cut-off date) will not be allocable to either New Mountain Finance or AIV Holdings because neither of them will be treated as the "contributing partner" with respect to our existing assets.

Section 1.704-3 of the Treasury regulations provides a partnership with a choice of several methods of accounting for book-tax differences. The Operating Company has not yet decided what method will be used to account for book-tax differences attributable to assets contributed to the Operating Company by Guardian AIV and New Mountain Guardian Partners, L.P. It should be noted that the method selected by the Operating Company may result in a smaller amount of taxable loss or a greater amount of taxable gain being allocated to New Mountain Finance by the Operating Company as compared to other available methods. Any asset purchased by the Operating Company for cash after admission of New Mountain Finance to the Operating Company will initially have a tax basis equal to the asset's fair market value and, accordingly, Section 704(c) of the Code will not initially apply.

Distributions and Constructive Distributions

Distributions by the Operating Company to New Mountain Finance generally will not be taxable to New Mountain Finance. However, New Mountain Finance will have taxable income in the event that the amount of distributions that New Mountain Finance receives from the Operating Company, or the amount of any decrease in New Mountain Finance's share of the Operating Company's indebtedness (any such decrease being considered a constructive cash distribution to New Mountain Finance), exceeds New Mountain Finance's adjusted tax basis in its common membership units in the Operating Company. Such taxable income would normally be characterized as capital gain.

In the event that New Mountain Finance becomes the sole member of the Operating Company, the Operating Company will cease to be treated as a partnership for federal income tax purposes and will be deemed to liquidate (thereafter being treated as a disregarded entity for federal income tax purposes). It is not expected that New Mountain Finance would recognize loss as a result of this deemed liquidation. However, it is possible that, under certain circumstances, New Mountain Finance would recognize gain as a result of this deemed liquidation and would be required to make a distribution to its stockholders in respect of such gain to satisfy the Annual Distribution Requirement even though New Mountain Finance would not have received any corresponding cash payment. See the discussion above under "— Taxation of New Mountain Finance as a RIC". The rules applicable to determining tax basis in assets received in a liquidating distribution from a partnership could operate to cause New Mountain Finance's tax basis in such assets to differ from its proportionate share of the tax basis in such assets while held by the

Operating Company. This could affect the amount of gain or loss recognized by New Mountain Finance as a result of the retirement, redemption, sale or other disposition of such assets.

Section 754 Election

The Operating Company intends to make an election under Section 754 of the Code. A Section 754 election is irrevocable without the consent of the IRS. This election generally permits a person that acquires an interest in a partnership by sale or exchange (such as New Mountain Finance when it acquires common membership units of the Operating Company from New Mountain Guardian Partners, L.P. and AIV Holdings, as discussed below) to adjust its share of the tax basis in the partnership's assets ("inside basis") pursuant to Section 743(b) of the Code to fair market value (as reflected by the consideration paid for the partnership interest), as if such person had acquired a direct interest in the partnership's assets. The Section 743(b) adjustment is attributed solely to the person that so acquires an interest in a partnership and is not added to the tax basis of the partnership's assets associated with all of the partners in the partnership. The calculations involved in applying the Section 754 election are complex. It is expected that the Operating Company will make such calculations on the basis of its determination as to the value of its assets and other matters.

It is expected that, as a result of the transfer of common membership units of the Operating Company to New Mountain Finance by New Mountain Guardian Partners, L.P. in connection with the formation transactions, New Mountain Guardian Partners, L.P. will make an election that should result in the corporate partner of New Mountain Guardian Partners, L.P. recognizing its distributive share of the built-in gain inherent in such common membership units, which at December 31, 2010, was approximately 95% of the built-in gain inherent in such common membership units at that date. This election, along with the Section 754 election, is expected to result in an increase (determined at the cutoff date subject to reasonable adjustments as determined by the Operating Company's board of directors) in New Mountain Finance's share of the Operating Company's tax basis in the assets that were contributed by New Mountain Guardian Partners, L.P. to the Operating Company with built-in gains (as discussed above) by an amount equal to the built-in gain in such common membership units so recognized by the corporate partner of New Mountain Guardian Partners, L.P. This increase in tax basis is expected to offset allocations made to New Mountain Finance under Section 704(c) of the Code resulting from the Operating Company's recognition of built-in gains in the assets that were contributed by New Mountain Guardian Partners, L.P. to the Operating Company (as discussed above).

It is also expected that the remaining distributive share of New Mountain Guardian Partners, L.P.'s built-in gain inherent in common membership units transferred by New Mountain Guardian Partners, L.P. to New Mountain Finance, which at December 31, 2010, was approximately 5% of the built-in gain inherent in such common membership units at that date, will not result in any increase in New Mountain Finance's share of the Operating Company's tax basis in the assets that were contributed by New Mountain Guardian Partners, L.P. to the Operating Company. Accordingly, it is expected that allocations made to New Mountain Finance under Section 704(c) of the Code resulting from the Operating Company's recognition of built-in gains in these assets will not be offset to this extent, with the result that any distributions made to New Mountain Finance's stockholders that are attributable to such recognized built-in gains generally will be treated as taxable dividends to this extent even though such distributions could represent a return of such stockholder's investment.

In addition, it is expected that, as a result of an exchange by AIV Holdings of common membership units of the Operating Company for shares of New Mountain Finance's common stock, New Mountain Finance's share of the Operating Company's tax basis in assets that were contributed to the Operating Company by Guardian AIV and have built-in gains as of the time of the exchange will be increased to reflect the value of the shares of New Mountain Finance's common

stock received by AIV Holdings. This increase in tax basis is expected to generally offset allocations made after such exchange to New Mountain Finance under Section 704(c) of the Code resulting from the recognition of such built-in gains (as discussed above).

Tax Matters

New Mountain Finance will be the Operating Company's tax matters member and, as such, will have the authority to handle any tax audits of the Operating Company. Under the LLC Agreement, New Mountain Finance will generally be prohibited from taking any action in its capacity as tax matters member, which it knows (or would reasonably be expected to know) would (or would reasonably be expected to) have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners. AIV Holdings will also have a consent right over New Mountain Finance's actions as the Operating Company's tax matters member if such action would have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners.

The Operating Company intends to make an election under Section 754 of the Code and to cause such election to remain in effect for every year of the Operating Company during which the Operating Company is treated as a partnership for federal income tax purposes. The Operating Company's board of directors will have the authority to cause the Operating Company to make all other tax elections, and all decisions and positions taken with respect to the Operating Company's taxable income or tax loss (or items thereof) under the Code or other applicable tax law will be made in such manner as may be reasonably determined by the Operating Company's board of directors. Under the LLC Agreement, the Operating Company's board of directors will generally be prohibited from making tax elections or making any decision or taking any position with respect to allocations of taxable income that the Operating Company's board of directors knows (or would reasonably be expected to know) would (or would reasonably be expected to) adversely affect New Mountain Finance's status as a RIC or have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners and a greater negative impact proportionally on the amount of taxable inclusions incurred by AIV Holdings with respect to income allocated to it by the Operating Company than if such election, decision or position had not been made or taken.

References in the remainder of this discussion to the tax consequences of New Mountain Finance investments and activities refer solely to the investments and activities of the Operating Company.

The Operating Company's Investments — General

Certain of the Operating Company's investment practices may be subject to special and complex federal income tax provisions that may, among other things, (1) treat dividends that would otherwise constitute qualified dividend income as non-qualified dividend income, (2) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (3) convert lower-taxed long-term capital gain into higher-taxed short-term capital gain or ordinary income, (4) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (5) cause New Mountain Finance to recognize income or gain without receipt of a corresponding distribution of cash from the Operating Company, (6) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (7) adversely alter the characterization of certain complex financial transactions and (8) produce income that will not be qualifying income for purposes of the 90% Income Test. The Operating Company intends to monitor its transactions and may make certain tax elections to mitigate the potential adverse effect of these provisions, but there can be no assurance that any adverse effects of these provisions will be mitigated.

Passive Foreign Investment Companies

If the Operating Company purchases shares in a "passive foreign investment company" (a "PFIC"), New Mountain Finance may be subject to federal income tax on its allocable share of a portion of any "excess distribution" received on, or any gain from the disposition of, such shares even if New Mountain Finance's allocable share of such income is distributed by it as a taxable dividend to its stockholders. Additional charges in the nature of interest generally will be imposed on New Mountain Finance in respect of deferred taxes arising from any such excess distribution or gain. If the Operating Company invests in a PFIC and elects to treat the PFIC as a "qualified electing fund" under the Code (a "QEF"), in lieu of the foregoing requirements, New Mountain Finance will be required to include in income each year its allocable share of the Operating Company's proportionate share of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed by the QEF. Alternatively, the Operating Company may be able to elect to mark-to-market at the end of each taxable year its shares in a PFIC; in this case, New Mountain Finance will recognize as ordinary income its allocable share of any increase in the value of such shares, and as ordinary loss its allocable share of any decrease in such value to the extent that any such decrease does not exceed prior increases included in its income. Under either election, New Mountain Finance may be required to recognize in a year income in excess of distributions from PFICs made by the Operating Company to New Mountain Finance and the Operating Company's proceeds from dispositions of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of the 4% excise tax. See "— Taxation of New Mountain Finance as a RIC" above.

Foreign Currency Transactions

Under Section 988 of the Code, gains or losses attributable to fluctuations in exchange rates between the time the Operating Company accrues income, expenses or other liabilities denominated in a foreign currency and the time the Operating Company actually collects such income or pays such expenses or liabilities are generally treated as ordinary income or loss. Similarly, gains or losses on foreign currency forward contracts and the disposition of debt obligations denominated in a foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, are also treated as ordinary income or loss.

The remainder of this discussion assumes that New Mountain Finance qualifies as a RIC for each taxable year.

Taxation of U.S. Stockholders

The following discussion only applies to U.S. stockholders. Prospective stockholders that are not U.S. stockholders should refer to "— Taxation of Non-U.S. Stockholders" below.

Distributions

Distributions by New Mountain Finance generally are taxable to U.S. stockholders as ordinary income or capital gains. Distributions of New Mountain Finance's "investment company taxable income" (which is, generally, New Mountain Finance's net ordinary income plus realized net short-term capital gains in excess of realized net long-term capital losses) will be taxable as ordinary income to U.S. stockholders to the extent of New Mountain Finance's current or accumulated earnings and profits, whether paid in cash or reinvested in additional common stock. To the extent that such distributions paid by New Mountain Finance in taxable years beginning before January 1, 2013 to non-corporate stockholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations, such distributions ("Qualifying Dividends") may be eligible for a maximum tax rate of 15%. In this regard, it is anticipated that distributions paid by New Mountain Finance will generally not be attributable to dividends received by New Mountain Finance and, therefore, generally will not qualify for the 15% maximum rate applicable to Qualifying Dividends. Distributions of New Mountain Finance's net capital gains (which are generally New Mountain Finance's realized net long-term capital gains in excess of realized net short-term capital losses) made in taxable years beginning before January 1, 2013 and properly reported by New Mountain Finance as "capital gain dividends" in written statements furnished to its stockholders will be taxable to a U.S. stockholder as long-term capital gains that are currently taxable at a maximum rate of 15% in the case of individuals, trusts or estates, regardless of the U.S. stockholder's holding period for his, her or its common stock and regardless of whether paid in cash or reinvested in additional common stock. Distributions in excess of New Mountain Finance's earnings and profits first will reduce a U.S. stockholder's adjusted tax basis in such stockholder's common stock and, after the adjusted tax basis is reduced to zero, will constitute capital gains to such U.S. stockholder.

New Mountain Finance may retain some or all of its realized net long-term capital gains in excess of realized net short-term capital losses, but designate the retained net capital gain as a "deemed distribution". In that case, among other consequences, (i) New Mountain Finance will pay tax on the retained amount, (ii) each U.S. stockholder will be required to include his, her or its share of the deemed distribution in income as if it had been actually distributed to the U.S. stockholder, and (iii) the U.S. stockholder will be entitled to claim a credit equal to his, her or its allocable share of the tax paid thereon by New Mountain Finance. Because New Mountain Finance expects to pay tax on any retained net capital gains at the regular corporate tax rate, and because that rate is in excess of the maximum rate currently payable by individuals on long-term capital gains, the amount of tax that individual U.S. stockholders will be treated as having paid will exceed the tax they owe on the capital gain distribution and such excess generally may be refunded or claimed as a credit against the U.S. stockholder's other federal income tax obligations. The amount of the deemed distribution net of such tax will be added to the U.S. stockholder's cost basis for his, her or its common stock. In order to utilize the deemed distribution approach, New Mountain Finance must provide written notice to its stockholders prior to the expiration of 60 days after the close of the relevant taxable year. New Mountain Finance cannot treat any of its investment company taxable income as a "deemed distribution".

For purposes of determining (1) whether the Annual Distribution Requirement is satisfied for any year and (2) the amount of capital gain dividends paid for that year, New Mountain Finance may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If New Mountain Finance makes

such an election, the U.S. stockholder will still be treated as receiving the dividend in the taxable year in which the distribution is made. However, any dividend declared by New Mountain Finance in October, November or December of any calendar year, payable to stockholders of record on a specified date in such a month and actually paid during January of the following year, will be treated as if it had been received by its U.S. stockholders on December 31 of the year in which the dividend was declared.

If an investor purchases shares of New Mountain Finance's common stock shortly before the record date of a distribution, the price of the shares will include the value of the distribution and the investor will be subject to tax on the distribution even though economically it may represent a return of his, her or its investment.

New Mountain Finance will send to each of its U.S. stockholders, as promptly as possible after the end of each calendar year, a notice reporting the amounts includible in such U.S. stockholder's taxable income for such year as ordinary income and as long-term capital gain. In addition, the federal tax status of each year's distributions from New Mountain Finance generally will be reported to the IRS (including the amount of dividends, if any, that are Qualifying Dividends eligible for the 15% maximum rate). Dividends paid by New Mountain Finance generally will not be eligible for the dividends-received deduction or the preferential tax rate applicable to Qualifying Dividends because New Mountain Finance's income generally will not consist of dividends. Distributions may also be subject to additional state, local and foreign taxes depending on a U.S. stockholder's particular situation.

Alternative Minimum Tax

As a RIC, New Mountain Finance will be subject to alternative minimum tax, also referred to as "AMT", but any items that are treated differently for AMT purposes must be apportioned between New Mountain Finance and its U.S. stockholders, and this may affect the U.S. stockholders' AMT liabilities. Although Treasury regulations explaining the precise method of apportionment have not yet been issued, such items will generally be apportioned in the same proportion that dividends paid to each U.S. stockholder bear to New Mountain Finance's taxable income (determined without regard to the dividends paid deduction), unless a different method for a particular item is warranted under the circumstances.

Dividend Reinvestment Plan

Under the dividend reinvestment plan, if a U.S. stockholder owns shares of New Mountain Finance's common stock registered in the U.S. stockholder's own name, the U.S. stockholder will have all cash distributions automatically reinvested in additional shares of New Mountain Finance's common stock unless the U.S. stockholder opts out of the dividend reinvestment plan by delivering a written, phone or internet notice to the plan administrator at least three days prior to the payment date of the next dividend or distribution. See "Dividend Reinvestment Plan". Any distributions reinvested under the plan will nevertheless remain taxable to the U.S. stockholder. The U.S. stockholder will have an adjusted tax basis in the additional shares of New Mountain Finance's common stock purchased through the plan equal to the amount of the reinvested distribution. The additional shares will have a new holding period commencing on the day following the day on which the shares are credited to the U.S. stockholder's account.

Dispositions

A U.S. stockholder generally will recognize taxable gain or loss if the U.S. stockholder sells or otherwise disposes of his, her or its shares of New Mountain Finance's common stock. The amount of gain or loss will be measured by the difference between such stockholder's adjusted tax basis in

the common stock sold and the amount of the proceeds received in exchange. Any gain or loss arising from such sale or disposition generally will be treated as long-term capital gain or loss if the U.S. stockholder has held his, her or its shares for more than one year; otherwise, any such gain or loss will be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of shares of New Mountain Finance's common stock held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such shares. In addition, all or a portion of any loss recognized upon a disposition of shares of New Mountain Finance's common stock may be disallowed if other shares of New Mountain Finance's common stock are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition. In general, non-corporate U.S. stockholders currently are subject to a maximum federal income tax rate of 15% on their net capital gain (i.e., the excess of realized net long-term capital gains over realized net short-term capital losses) recognized in taxable years beginning before January 1, 2013, including any long-term capital gain derived from an investment in shares of New Mountain Finance's common stock. Such rate is lower than the maximum rate on ordinary income currently payable by individuals. The maximum rate on net capital gain for non-corporate U.S. stockholders is scheduled to increase to 20% for taxable years beginning after December 31, 2012. In addition, for taxable years beginning after December 31, 2012, individuals with income in excess of $200,000 ($250,000 in the case of married individuals filing jointly) and certain estates and trusts are subject to an additional 3.8% tax on their "net investment income", which generally includes net income from interest, dividends, annuities, royalties and rents, and net capital gains (other than certain amounts earned from trades or businesses). Corporate U.S. stockholders currently are subject to federal income tax on net capital gain at the maximum 35% rate also applied to ordinary income. Non-corporate U.S. stockholders with net capital losses for a year (i.e., capital losses in excess of capital gains) generally may deduct up to $3,000 of such losses against their ordinary income each year; any net capital losses of a non-corporate U.S. stockholder in excess of $3,000 generally may be carried forward and used in subsequent years as provided in the Code. Corporate U.S. stockholders generally may not deduct any net capital losses for a year, but may carry back such losses for three years or carry forward such losses for five years.

Tax Shelter Reporting Regulations

Under applicable Treasury regulations, if a U.S. stockholder recognizes a loss with respect to New Mountain Finance's common stock of $2 million or more for a non-corporate U.S. stockholder or $10 million or more for a corporate U.S. stockholder in any single taxable year (or a greater loss over a combination of years), the U.S. stockholder must file with the IRS a disclosure statement on Form 8886. Direct U.S. stockholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, U.S. stockholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to U.S. stockholders of most or all RICs. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. U.S. stockholders should consult their own tax advisers to determine the applicability of these regulations in light of their individual circumstances.

Backup Withholding

New Mountain Finance may be required to withhold federal income tax ("backup withholding"), at a current rate of 28% (which rate currently is scheduled to increase to 31% in 2013), from any taxable distribution to a U.S. stockholder (other than a corporation, a financial institution, or a stockholder that otherwise qualifies for an exemption) (1) that fails to provide New Mountain Finance or the distribution paying agent with a correct taxpayer identification number or a

certificate that such stockholder is exempt from backup withholding or (2) with respect to whom the IRS notifies New Mountain Finance that such stockholder has failed to properly report certain interest and dividend income to the IRS and to respond to notices to that effect. An individual's taxpayer identification number is his or her social security number. Any amount withheld under backup withholding is allowed as a credit against the U.S. stockholder's federal income tax liability, provided that proper information is timely provided to the IRS.

Taxation of Non-U.S. Stockholders

The following discussion applies only to Non-U.S. stockholders. Whether an investment in shares of New Mountain Finance's common stock is appropriate for a Non-U.S. stockholder will depend upon that person's particular circumstances. An investment in shares of New Mountain Finance's common stock by a Non-U.S. stockholder may have adverse tax consequences to such Non-U.S. stockholder. Non-U.S. stockholders should consult their tax advisers before investing in New Mountain Finance's common stock.

Distributions; Dispositions

Subject to the discussion in "— Recently Enacted Legislation" below, distributions of New Mountain Finance's "investment company taxable income" to Non-U.S. stockholders (including interest income and realized net short-term capital gains in excess of realized long-term capital losses, which generally would be free of withholding if paid to Non-U.S. stockholders directly) will be subject to withholding of federal income tax at a 30% rate (or lower rate provided by an applicable income tax treaty) to the extent of New Mountain Finance's current or accumulated earnings and profits, unless an applicable exception applies. If the distributions are effectively connected with a U.S. trade or business of the Non-U.S. stockholder (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment of the Non-U.S. stockholder), New Mountain Finance will not be required to withhold federal income tax if the Non-U.S. stockholder complies with applicable certification and disclosure requirements, although the distributions will be subject to federal income tax at the rates applicable to U.S. persons. (Special certification requirements apply to a Non-U.S. stockholder that is a foreign partnership or a foreign trust, and such entities are urged to consult their own tax advisers.)

In addition, dividends with respect to any taxable year of New Mountain Finance beginning on or before December 31, 2011 will not be subject to withholding of federal income tax to the extent the dividends are reported by New Mountain Finance as "interest-related dividends" or "short-term capital gain dividends" in written statements furnished to its stockholders. Under this exemption, interest-related dividends and short-term capital gain dividends generally represent distributions of interest or short-term capital gains that would not have been subject to withholding of federal income tax at the source if they had been received directly by a foreign person, and that satisfy certain other requirements. No assurance can be given as to whether any of New Mountain Finance's distributions will be eligible for this exemption from withholding tax or, if eligible, will be reported as such by New Mountain Finance. In addition, no assurance can be given as to whether this exemption will be extended for taxable years after 2011.

Subject to the discussion in "— Recently Enacted Legislation" below, actual or deemed distributions of New Mountain Finance's net capital gains to a Non-U.S. stockholder, and gains realized by a Non-U.S. stockholder upon the sale of New Mountain Finance's common stock, will not be subject to federal income or withholding tax unless the distributions or gains, as the case may be, are effectively connected with a U.S. trade or business of the Non-U.S. stockholder (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment of the Non-U.S. stockholder).

If New Mountain Finance distributes its net capital gains in the form of deemed rather than actual distributions, a Non-U.S. stockholder will be entitled to a federal income tax credit or tax refund equal to the stockholder's allocable share of the tax New Mountain Finance pays on the capital gains deemed to have been distributed. In order to obtain the refund, the Non-U.S. stockholder must obtain a U.S. taxpayer identification number and file a federal income tax return, even if the Non-U.S. stockholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a federal income tax return. For a corporate Non-U.S. stockholder, both distributions (actual or deemed) and gains realized upon the sale of New Mountain Finance's common stock that are effectively connected with a U.S. trade or business may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate (or at a lower rate if provided for by an applicable income tax treaty). Accordingly, investment in shares of New Mountain Finance's common stock may not be appropriate for a Non-U.S. stockholder.

Dividend Reinvestment Plan

Under New Mountain Finance's dividend reinvestment plan, if a Non-U.S. stockholder owns shares of New Mountain Finance's common stock registered in the Non-U.S. stockholder's own name, the Non-U.S. stockholder will have all cash distributions automatically reinvested in additional shares of New Mountain Finance's common stock unless it opts out of the dividend reinvestment plan by delivering a written, phone or internet notice to the plan administrator at least three days prior to the payment date of the next dividend or distribution. See "Dividend Reinvestment Plan". If the distribution is a distribution of New Mountain Finance's investment company taxable income, is not designated by New Mountain Finance as a short-term capital gain dividend or interest-related dividend, if applicable, and is not effectively connected with a U.S. trade or business of the Non-U.S. stockholder (or, if required by an applicable income tax treaty, is not attributable to a U.S. permanent establishment of the Non-U.S. stockholder), the amount distributed (to the extent of New Mountain Finance's current or accumulated earnings and profits) will be subject to withholding of federal income tax at a 30% rate (or lower rate provided by an applicable income tax treaty) and only the net after-tax amount will be reinvested in New Mountain Finance's common stock. If the distribution is effectively connected with a U.S. trade or business of the Non-U.S. stockholder (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the Non-U.S. stockholder), the full amount of the distribution generally will be reinvested in New Mountain Finance's common stock and will nevertheless be subject to federal income tax at the ordinary income rates applicable to U.S. persons. The Non-U.S. stockholder will have an adjusted tax basis in the additional shares of New Mountain Finance's common stock purchased through the plan equal to the amount of the reinvested distribution. The additional shares will have a new holding period commencing on the day following the day on which the shares are credited to the Non-U.S. stockholder's account.

Backup Withholding

A Non-U.S. stockholder who is a non-resident alien individual, and who is otherwise subject to withholding of federal income tax, will be subject to information reporting and may be subject to backup withholding of federal income tax on taxable distributions unless the Non-U.S. stockholder provides New Mountain Finance or the distribution paying agent with an IRS Form W-8BEN (or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a Non-U.S. stockholder or otherwise establishes an exemption from backup withholding.

Non-U.S. stockholders should consult their own tax advisers with respect to the federal income and withholding tax consequences, and state, local and foreign tax consequences, of an investment in shares of New Mountain Finance's common stock.

Recently Enacted Legislation

On March 18, 2010, President Obama signed the Hiring Incentives to Restore Employment Act into law. Effective for payments made after December 31, 2012, this law imposes a 30% federal withholding tax on payments of distributions on, and the gross proceeds of a sale of, New Mountain Finance's common stock to a foreign financial institution or non-financial foreign entity, unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) and (ii) in the case of a non-financial foreign entity, such entity provides the withholding agent with a certification identifying the direct and indirect U.S. owners of the entity. Under certain circumstances, a Non-U.S. stockholder might be eligible for refunds or credits of such taxes. Stockholders are encouraged to consult with their own tax advisers regarding the possible implications of this recently enacted legislation on their investment in New Mountain Finance's common stock.

Certain State, Local and Foreign Tax Matters

We and New Mountain Finance's stockholders may be subject to state, local or foreign taxation in various jurisdictions in which we or they transact business, own property or reside. The state, local or foreign tax treatment of us and New Mountain Finance's stockholders may not conform to the federal income tax treatment discussed above. In particular, the Operating Company's investment in foreign securities may be subject to foreign withholding taxes and the Operating Company may be subject to the New York City Unincorporated Business Tax which is imposed at a 4% rate. The imposition of any such foreign, New York City or other taxes would reduce cash available for distribution to New Mountain Finance's stockholders, and New Mountain Finance's stockholders would not be entitled to claim a credit or deduction with respect to such taxes. Prospective investors should consult with their own tax advisers regarding the application and effect of state, local and foreign income and other tax laws on an investment in shares of New Mountain Finance's common stock.

REGULATION

New Mountain Finance and the Operating Company intend to elect to be treated as business development companies under the 1940 Act. The 1940 Act contains prohibitions and restrictions relating to investments by a business development company in another investment company and transactions between business development companies and their affiliates, principal underwriters and affiliates of those affiliates or underwriters. The 1940 Act requires that a majority of the directors be persons other than "interested persons", as that term is defined in the 1940 Act. In addition, the 1940 Act provides that New Mountain Finance and the Operating Company may not change the nature of our business so as to cease to be, or to withdraw their respective elections as, business development companies unless approved by a majority of our outstanding voting securities. The 1940 Act defines "a majority of the outstanding voting securities" as the lesser of (i) 67% or more of the voting securities present at a meeting if the holders of more than 50% of our outstanding voting securities are present or represented by proxy or (ii) 50% of our voting securities.

New Mountain Finance is relying on the provisions of Section 12(d)(1)(E) of the 1940 Act, which requires, among other things, that its investment in the Operating Company be its only asset and that its shareholders are entitled to vote on a "pass-through" basis with the Operating Company's other voting security holders. Under the 1940 Act, the investors in AIV Holdings will likewise have pass through voting rights with respect to the election of the Operating Company's directors and other matters requiring a vote of the Operating Company's security holders.

New Mountain Finance may, to the extent permitted under the 1940 Act, issue additional equity capital, which would in turn increase the equity capital available to the Operating Company. New Mountain Finance will generally not be able to issue and sell its common stock at a price below net asset value per share. See "Risk Factors — Risks Relating to Our Business — Regulations governing the operations of business development companies will affect New Mountain Finance's ability to raise additional equity capital as well as the Operating Company's ability to issue senior securities or borrow for investment purposes, any or all of which could have a negative effect on our investment objectives and strategies". New Mountain Finance may, however, sell its common stock, or warrants, options or rights to acquire its common stock, at a price below the then-current net asset value of its common stock if its board of directors determines that such sale is in the best interests of New Mountain Finance and the best interests of its stockholders, and its stockholders approve such sale. In addition, New Mountain Finance may generally issue new shares of its common stock at a price below net asset value in rights offerings to existing stockholders, in payment of dividends and in certain other limited circumstances.

As a business development company, the Operating Company will not generally be permitted to invest in any portfolio company in which the Investment Adviser or any of its affiliates currently have an investment or to make any co-investments with the Investment Adviser or its affiliates without an exemptive order from the SEC.

In addition, as business development companies, New Mountain Finance and the Operating Company are not permitted to issue stock or membership units in consideration for services. New Mountain Finance and the Operating Company intend to seek exemptive relief to permit the Operating Company to pay 50% of the incentive fee payable to the Investment Adviser in common membership units of the Operating Company which will be exchangeable into shares of New Mountain Finance's common stock and to treat the receipt of such common membership units as an exempt purchase under Section 16 of the Exchange Act. There can be no assurance that the exemptive relief requested will be granted.

Qualifying Assets

Under the 1940 Act, a business development company may not acquire any asset other than assets of the type listed in Section 55(a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70% of the company's total assets. Because New Mountain Finance will have no assets other than its ownership of common membership units of the Operating Company and will have no material long-term liabilities, New Mountain Finance will look to the Operating Company's assets for purposes of satisfying these requirements. The principal categories of qualifying assets relevant to our business are any of the following:

(1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which:

  (a) is organized under the laws of, and has its principal place of business in, the United States;

  (b) is not an investment company (other than a small business investment company wholly owned by the business development company) or a company that would be an investment company but for certain exclusions under the 1940 Act; and

  (c) satisfies any of the following:

    (i) does not have any class of securities that is traded on a national securities exchange;

    (ii) has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non-voting common equity of less than $250 million;

    (iii) is controlled by a business development company or a group of companies including a business development company and the business development company has an affiliated person who is a director of the eligible portfolio company; or

    (iv) is a small and solvent company having total assets of not more than $4 million and capital and surplus of not less than $2 million.

(2) Securities of any eligible portfolio company that we control.

(3) Securities purchased in a private transaction from a U.S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements.

(4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and the Operating Company already owns 60% of the outstanding equity of the eligible portfolio company.

(5) Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities.

(6) Cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment.

In addition, a business development company must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1), (2) or (3) above.

Managerial Assistance to Portfolio Companies

In order to count portfolio securities as qualifying assets for the purpose of the 70% test, the Operating Company must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance, except that, where the Operating Company purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the business development company offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. The Administrator or its affiliate will provide such managerial assistance on the Operating Company's behalf to portfolio companies that request this assistance.

Temporary Investments

Pending investment in other types of "qualifying assets", as described above, our investments may consist of cash, cash equivalents, U.S. government securities or high-quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as "temporary investments", so that 70% of the Operating Company's assets are qualifying assets. Typically, the Operating Company will invest in U.S. Treasury bills or in repurchase agreements, provided that such agreements are fully collateralized by cash or securities issued by the U.S. government or its agencies. A repurchase agreement involves the purchase by an investor, such as us, of a specified security and the simultaneous agreement by the seller to repurchase it at an agreed-upon future date and at a price that is greater than the purchase price by an amount that reflects an agreed-upon interest rate. There is no percentage restriction on the proportion of the Operating Company's assets that may be invested in such repurchase agreements. However, if more than 25% of the Operating Company's total assets constitute repurchase agreements from a single counterparty, New Mountain Finance would not meet the Diversification Tests in order to qualify as a RIC for federal income tax purposes. Thus, the Operating Company does not intend to enter into repurchase agreements with a single counterparty in excess of this limit. The Investment Adviser will monitor the creditworthiness of the counterparties with which the Operating Company enters into repurchase agreement transactions.

Senior Securities

The Operating Company is permitted, under specified conditions, to issue multiple classes of debt and one class of membership units senior to its common membership units if the Operating Company's asset coverage, as defined in the 1940 Act, is at least equal to 200% immediately after each such issuance. In addition, while any senior securities remain outstanding (other than any indebtedness issued in consideration of a privately arranged loan, such as any indebtedness outstanding under the Credit Facility or SLF Credit Facility), New Mountain Finance and the

Operating Company must make provisions to prohibit any distribution to their stockholders or members, as applicable, or the repurchase of their equity securities unless the Operating Company meets the applicable asset coverage ratios at the time of the distribution or repurchase. The Operating Company may also borrow amounts up to 5% of the value of its total assets for temporary or emergency purposes without regard to its asset coverage. The Operating Company will include the assets and liabilities of SLF for purposes of calculating the asset coverage ratio. For a discussion of the risks associated with leverage, see "Risk Factors — Risks Relating to Our Business — Regulations governing the operations of business development companies will affect New Mountain Finance's ability to raise additional equity capital as well as the Operating Company's ability to issue senior securities or borrow for investment purposes, any or all of which could have a negative effect on our investment objectives and strategies" and "— The Operating Company will borrow money, which could magnify the potential for gain or loss on amounts invested in us and increase the risk of investing in us".

Code of Ethics

New Mountain Finance and the Operating Company have adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code may invest in securities for their personal investment accounts, including securities that may be purchased or held by New Mountain Finance or the Operating Company so long as such investments are made in accordance with the code's requirements. We have attached this code of ethics as an exhibit to this registration statement. You may also read and copy the code of ethics at the SEC's Public Reference Room located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-202-942-8090, and copies of the code of ethics may be obtained, after paying a duplication fee, by electronic request at the following e-mail address: publicinfo@sec.gov. In addition, the code of ethics is available on the SEC's Internet site at *http://www.sec.gov.*

Compliance Policies and Procedures

New Mountain Finance, the Operating Company and the Investment Adviser have adopted and implemented written policies and procedures reasonably designed to prevent violation of the federal securities laws and New Mountain Finance and the Operating Company are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation. New Mountain Finance's and the Operating Company's chief compliance officer is responsible for administering these policies and procedures.

Proxy Voting Policies and Procedures

The Operating Company has delegated its proxy voting responsibility to the Investment Adviser. The proxy voting policies and procedures of the Investment Adviser are set forth below. (The guidelines will be reviewed periodically by the Investment Adviser and the Operating Company's non-interested directors, and, accordingly, are subject to change).

Introduction

As an investment adviser registered under the Advisers Act, the Investment Adviser has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, it recognizes that it must vote client securities in a timely manner free of conflicts of interest and in the best interests of its clients.

The policies and procedures for voting proxies for the investment advisory clients of the Investment Adviser are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

Proxy policies

The Investment Adviser will vote proxies relating to our securities in the best interest of the Operating Company. It will review on a case-by-case basis each proposal submitted for a stockholder vote to determine its impact on the portfolio securities held by the Operating Company. Although the Investment Adviser will generally vote against proposals that may have a negative impact on its clients' portfolio securities, it may vote for such a proposal if there exists compelling long-term reasons to do so.

The proxy voting decisions of the Investment Adviser are made by the senior officers who are responsible for monitoring each of its clients' investments. To ensure that its vote is not the product of a conflict of interest, it will require that: (a) anyone involved in the decision making process disclose to its chief compliance officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (b) employees involved in the decision making process or vote administration are prohibited from revealing how the Investment Adviser intends to vote on a proposal in order to reduce any attempted influence from interested parties.

Proxy voting records

You may obtain, without charge, information regarding how the Operating Company voted proxies with respect to our portfolio securities by making a written request for proxy voting information to: Chief Compliance Officer, 787 7th Avenue, 48th Floor, New York, NY 10019.

Other

New Mountain Finance and the Operating Company will be periodically examined by the SEC for compliance with the 1940 Act.

New Mountain Finance and the Operating Company are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as business development companies, New Mountain Finance and the Operating Company will be prohibited from protecting any director or officer against any liability to New Mountain Finance, or its stockholders, or the Operating Company or its members, arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

Securities Exchange Act and Sarbanes-Oxley Act Compliance

Upon the closing of this offering, New Mountain Finance and the Operating Company will be subject to the reporting and disclosure requirements of the Exchange Act, including the filing of quarterly, annual and current reports, proxy statements and other required items, unless and until the Operating Company obtains exemptive relief from the SEC. New Mountain Finance and the Operating Company expect to file an application with the SEC requesting an order exempting the Operating Company from certain reporting requirements mandated by the Exchange Act. In addition, New Mountain Finance and the Operating Company are subject to the Sarbanes-Oxley Act, which imposes a wide variety of regulatory requirements on publicly-held companies and their

insiders. Many of these requirements will affect New Mountain Finance and the Operating Company. For example:

- pursuant to Rule 13a-14 of the Exchange Act, the chief executive officer and chief financial officer of New Mountain Finance and the Operating Company will be required to certify the accuracy of the financial statements contained in their respective periodic reports;
- pursuant to Item 307 of Regulation S-K, New Mountain Finance's and the Operating Company's periodic reports will be required to disclose their respective conclusions about the effectiveness of their disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, beginning for the fiscal year ending December 31, 2012, New Mountain Finance's and the Operating Company's management will be required to prepare a report regarding their assessment of their respective internal control over financial reporting and will be required to obtain an audit of the effectiveness of internal control over financial reporting performed by their independent registered public accounting firm as of December 31, 2012; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, New Mountain Finance's and the Operating Company's periodic reports will be required to disclose whether there were significant changes in their respective internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires New Mountain Finance and the Operating Company to review their current policies and procedures to determine whether they comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. New Mountain Finance and the Operating Company intend to monitor their compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that they are in compliance therewith.

Fundamental Investment Policies

Neither our investment objective nor our investment policies are identified as fundamental. Accordingly, our investment objective and policies may be changed by the Operating Company without the approval of its members.

NYSE Corporate Governance Regulations

The NYSE has adopted corporate governance regulations that listed companies must comply with. Upon the closing of this offering, New Mountain Finance intends to be in compliance with such corporate governance listing standards applicable to business development companies. New Mountain Finance intends to monitor its compliance with all future listing standards and to take all necessary actions to ensure that it is in compliance therewith.

UNDERWRITING

New Mountain Finance, the Operating Company and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman, Sachs & Co.	
Wells Fargo Securities, LLC	
Morgan Stanley & Co. Incorporated	
Stifel, Nicolaus & Company, Incorporated	
RBC Capital Markets, LLC	
Robert W. Baird & Co. Incorporated	
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	
Janney Montgomery Scott LLC	
Total	8,285,172

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 1,242,776 shares from New Mountain Finance. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions (sales load) to be paid to the underwriters by the Operating Company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 1,242,776 additional shares. This offering will conform with the requirements set forth in Financial Industry Regulatory Authority Rule 2310. In compliance with such requirements, the underwriting discounts and commissions in connection with the sale of securities will not exceed 10% of gross proceeds of this offering.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. If all the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

New Mountain Finance, each of its officers and directors, New Mountain Guardian Partners, L.P. (and its transferees), and each of the members of our Investment Adviser's investment committee have agreed with the underwriters, subject to certain exceptions, not to dispose of or

hedge any shares of New Mountain Finance's common stock or securities convertible into or exchangeable for shares of New Mountain Finance's common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated. AIV Holdings has also entered into a similar lock-up agreement that prevents the exchange of its common membership units of the Operating Company for up to 180 days after the date of this prospectus, subject to carve outs and an extension in certain circumstances. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

The 180-day restricted period described in the preceding paragraph will be automatically extended if: (1) during the last 17 days of the 180-day restricted period New Mountain Finance issues an earnings release or announce material news or a material event; or (2) prior to the expiration of the 180-day restricted period, New Mountain Finance announces that it will release earnings results during the 15-day period following the last day of the 180-day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release of the announcement of the material news or material event.

At New Mountain Finance's request, the underwriters have reserved up to 5% of the shares for sale at the initial public offering price to persons who are directors, officers or employees, or who are otherwise associated with New Mountain through a directed share program. The number of shares available for sale to the general public will be reduced by the number of directed shares purchased by participants in the program. Except for certain participants who have entered into lock-up agreements as contemplated in the immediately preceding two paragraphs, each person buying shares through the directed share program has agreed that, for a period of 180 days from the date of this prospectus, he or she will not, without the prior written consent of the representatives, dispose of or hedge any shares or any securities convertible into or exchangeable for New Mountain Finance's common stock with respect to shares purchased in the program. For certain participants purchasing shares through the directed share program, the lock-up agreements contemplated in the immediately preceding two paragraphs shall govern with respect to their purchases. The representatives in their sole discretion may release any of the securities subject to these lock-up agreements at any time without notice. Any directed shares not purchased will be offered by the underwriters to the general public on the same basis as all other shares offered. New Mountain Finance and the Operating Company have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with sales of the directed shares.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among New Mountain Finance and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be estimates of the business potential and earnings prospects of New Mountain Finance and the Operating Company, an assessment of New Mountain Finance's and the Operating Company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

Our common stock has been approved for listing on the New York Stock Exchange under the symbol "NMFC". In order to meet one of the requirements for listing its shares of common stock on the New York Stock Exchange, the underwriters have undertaken to sell 100 or more shares of New Mountain Finance's common stock to a minimum of 400 beneficial holders.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the

underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from us in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option granted to them. "Naked" short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own account, may have the effect of preventing or retarding a decline in the market price of the company's stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

We estimate that New Mountain Finance's share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $5,272,610. The Operating Company will pay all of the expenses incurred by New Mountain Finance in connection with this offering.

New Mountain Finance and the Operating Company have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates may, from time to time, perform various financial advisory and investment banking services for the company, for which they will receive customary fees and expenses. In particular, certain affiliates of Wells Fargo Securities, LLC are agents and lenders under the Credit Facility and the SLF Credit Facility.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent

research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The principal business address of Goldman, Sachs & Co. is 200 West Street, New York, NY 10282, the principal business address of Wells Fargo Securities, LLC is 375 Park Avenue, New York, New York 10152 and the principal business address of Morgan Stanley & Co. Incorporated is 1585 Broadway, New York, NY 10036.

Each of the underwriters may arrange to sell common shares offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so. In that regard, Wells Fargo Securities, LLC may arrange to sell shares in certain jurisdictions through an affiliate, Wells Fargo Securities International Limited, or WFSIL. WFSIL is a wholly-owned indirect subsidiary of Wells Fargo & Company and an affiliate of Wells Fargo Securities, LLC. WFSIL is a U.K. incorporated investment firm regulated by the Financial Services Authority. Wells Fargo Securities is the trade name for certain corporate and investment banking services of Wells Fargo & Company and its affiliates, including Wells Fargo Securities, LLC and WFSIL.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representative for any such offer; or

(d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of shares to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Switzerland

This document does not constitute a prospectus within the meaning of Art. 652a of the Swiss Code of Obligations. The shares of common stock may not be sold directly or indirectly in or into Switzerland except in a manner which will not result in a public offering within the meaning of the Swiss Code of Obligations. Neither this document nor any other offering materials relating to the shares of common stock may be distributed, published or otherwise made available in Switzerland except in a manner which will not constitute a public offer of the shares of common stock in Switzerland.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of

whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

SAFEKEEPING AGENT, TRANSFER AND DISTRIBUTION PAYING AGENT AND REGISTRAR

We maintain custody of our assets in accordance with the requirements of Rule 17f-2 under the 1940 Act. Also in accordance with this rule, our portfolio securities are held under a safekeeping agreement, by Wells Fargo Securities, N.A., which is a bank whose functions and physical facilities are supervised by federal or state authority. The address of the safekeeping agent is: 9062 Old Annapolis Road, Columbia, Maryland 21045. An independent public accountant selected by the Operating Company will verify by actual examination the assets of the Operating Company held at Wells Fargo Securities, N.A. three times per year, two of which examinations will be conducted without prior notice to the Operating Company. The accountant will prepare a certificate stating that an examination has been made and will send this certificate, along with a Form N-17f-2, to the SEC promptly after each examination. American Stock Transfer & Trust Company, LLC will act as New Mountain Finance's transfer agent, distribution paying agent and registrar. The principal address of the transfer agent is P.O. Box 922, Wall Street Station, New York, NY, 10269-0560, telephone number: (888) 333-0212.

BROKERAGE ALLOCATION AND OTHER PRACTICES

Since the Operating Company intends to generally acquire and dispose of our investments in privately negotiated transactions, we expect that it will infrequently use brokers in the normal course of its business. Subject to policies established by the Operating Company's board of directors, the Investment Adviser is primarily responsible for the execution of the publicly-traded securities portion of the Operating Company's portfolio transactions and the allocation of brokerage commissions. The Investment Adviser does not execute transactions through any particular broker or dealer, but seeks to obtain the best net results, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While the Investment Adviser will generally seek reasonably competitive trade execution costs, the Operating Company will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, the Investment Adviser may select a broker based partly upon brokerage or research services provided to the Investment Adviser and the Operating Company and any other clients. In return for such services, the Operating Company may pay a higher commission than other brokers would charge if the Investment Adviser determines in good faith that such commission is reasonable in relation to the services provided.

LEGAL MATTERS

Certain legal matters regarding the shares of common stock offered hereby will be passed upon for us by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York and the validity of the common stock will be passed upon for the underwriters by Sutherland Asbill & Brennan LLP, Washington, DC.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The combined financial statements of New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P. as of and for the years ended December 31, 2010 and 2009 and for the period from October 29, 2008 (Commencement of Operations) to December 31, 2008, and the related information as of December 31, 2010 and 2009 included in the Senior Securities table included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports appearing herein and elsewhere in the Registration Statement. Such combined financial statements and information as of December 31, 2010 and 2009 included in the Senior Securities table have been so included in reliance upon the reports of such

firm given upon their authority as experts in accounting and auditing. The principal business address of Deloitte & Touche LLP is 2 World Financial Center, New York, New York, 10281.

AVAILABLE INFORMATION

New Mountain Finance has filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to the shares of common stock offered by this prospectus. The registration statement contains additional information about New Mountain Finance and the shares of common stock being offered by this prospectus.

Upon completion of this offering, New Mountain Finance will file with or submit to the SEC annual, quarterly and current reports, proxy statements and other information meeting the informational requirements of the Exchange Act. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 202-551-8090. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by New Mountain Finance with the SEC, which are available on the SEC's website at *http://www.sec.gov*. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, NE, Washington, DC 20549. This information will also be available free of charge by contacting us at 787 7th Avenue, 48th Floor, New York, NY 10019, by telephone at (212) 720-0300, or on our website at *http://www.newmountainfinancecorp.com* that we expect to establish upon completion of this offering. Unless and until exemptive relief is granted from the SEC, the Operating Company will also be required to file similar reports with the SEC.

PRIVACY NOTICE

We are committed to protecting your privacy. This privacy notice explains our privacy policies. This notice supersedes any other privacy notice you may have received from us.

We will safeguard, according to strict standards of security and confidentiality, all information we receive about you. The only information we collect from you is your name, address, number of shares you hold and your social security number. This information is used only so that we can send you annual reports and other information about us, and send you proxy statements or other information required by law.

We do not share this information with any non-affiliated third party except as described below.

- Authorized Employees of the Investment Adviser. It is our policy that only authorized employees of the Investment Adviser who need to know your personal information will have access to it.

- Service Providers. We may disclose your personal information to companies that provide services on our behalf, such as recordkeeping, processing your trades, and mailing you information. These companies are required to protect your information and use it solely for the purpose for which they received it.

- Courts and Government Officials. If required by law, we may disclose your personal information in accordance with a court order or at the request of government regulators. Only that information required by law, subpoena, or court order will be disclosed.

INDEX TO FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of New Mountain Guardian (Leveraged), L.L.C. and
To the Partners of New Mountain Guardian Partners, L.P.

We have audited the accompanying combined statements of assets, liabilities and capital, including the combined schedules of investments, of New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P. (the "Entities"), both of which are under common control and management, as of December 31, 2010 and 2009, and the related combined statements of operations, changes in capital, and cash flows for the years ended December 31, 2010 and 2009 and for the period October 29, 2008 (commencement of operations) to December 31, 2008. These financial statements are the responsibility of the Entities' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Entities are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entities' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the combined financial position of the Entities as of December 31, 2010 and 2009, and the combined results of their operations, their combined changes in capital and their combined cash flows for the years ended December 31, 2010 and 2009 and for the period October 29, 2008 (commencement of operations) to December 31, 2008 in conformity with accounting principles generally accepted in the United States of America.

As explained in Notes 2 and 4 to the financial statements, the financial statements include investments valued at $30,255,961 (6.6% of total assets) as of December 31, 2010, whose fair values have been estimated by the Entities' management in the absence of readily determinable fair values.

/s/ Deloitte and Touche LLP
New York, New York

February 25, 2011
(March 28, 2011 as to Note 12)

Member of
Deloitte Touche Tohmatsu

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.

Combined Statements of Assets, Liabilities and Capital

	December 31, 2010	December 31, 2009
Assets		
Investments, at fair value (cost $414,308,823 and $253,814,364 respectively)	$ 441,057,840	$ 320,522,648
Cash and cash equivalents	10,744,082	4,110,193
Receivable from unsettled securities sold	—	5,124,622
Deferred offering costs	3,528,110	—
Interest receivable	3,007,787	798,762
Deferred credit facility costs (net of accumulated amortization of $69,909 and $0 respectively)	1,880,120	—
Other assets	5,842	1,407
Total assets	$ 460,223,781	$ 330,557,632
Liabilities		
Payable for unsettled securities purchased	94,462,500	12,232,265
Debt Funding credit facility	59,696,938	77,744,675
SLF credit facility	56,936,000	—
Other liabilities	3,856,571	274,641
Payable to affiliates	2,531,319	392,679
Interest payable	813,192	472,689
Total liabilities	218,296,520	91,116,949
Capital	241,927,261	239,440,683
Total liabilities and capital	$ 460,223,781	$ 330,557,632

The accompanying notes are an integral part of these combined financial statements.

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.

Combined Schedule of Investments
December 31, 2010

Portfolio Company, Location and Industry	Type of Investment	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Member's Capital
United States							
Stratus Technologies, Inc.							
Information Technology	Ordinary shares	—	—	103,050	$ 47,063	$ 45,149	
	Preferred shares	—	—	23,450	10,710	10,274	
					57,773	55,423	0.02%
Total shares					57,773	55,423	0.02%
United States							
Alion Science and Technology Corporation							
Federal Services	Warrants(3)	—	—	6,000	292,851	283,698	0.12%
Learning Care Group (US), Inc.							
Education	Warrants	—	—	845	193,850	193,742	0.08%
Total warrants					486,701	477,440	0.20%
Canada							
Trident Exploration Corp.(2)							
Energy	First lien(3)	12.50% (Base Rate + 9.50%)	6/30/2014	4,477,500	4,357,151	4,746,150	1.96%
Total Canada				4,477,500	4,357,151	4,746,150	1.96%
United States							
Managed Health Care Associates, Inc.							
Healthcare Services	First lien(3)	3.52% (Base Rate + 3.25%)	8/1/2014	22,467,673	17,462,237	20,557,920	
	Second lien(3)	6.77% (Base Rate + 6.50%)	2/1/2015	15,000,000	11,227,497	13,200,001	
				37,467,673	28,689,734	33,757,921	13.96%
Attachmate Corporation, NetIQ Corporation							
Software	Second lien(3)	7.04% (Base Rate + 6.75%)	10/13/2013	22,500,000	17,121,571	22,275,000	9.21%
Learning Care Group (US), Inc.							
Education	First lien(3)	12.00%	4/27/2016	17,368,422	17,057,656	17,192,834	
	Subordinated	15.00%	6/30/2016	2,832,237	2,610,113	2,630,413	
				20,200,659	19,667,769	19,823,247	8.19%
Decision Resources, LLC							
Business Services	First lien(4)	7.75% (Base Rate + 4.50%)	12/28/2016	18,000,000	17,730,000	17,820,001	7.37%
KeyPoint Government Solutions, Inc							
Federal Services	First lien(3)	10.00% (Base Rate + 8.00%)	12/31/2015	18,000,000	17,640,000	17,730,000	7.33%
Smile Brands Group, Inc.							
Healthcare Services	First lien(4)	7.50% (Base Rate + 4.25%)	12/21/2017	17,500,000	17,237,500	17,390,625	7.19%
Volume Services America, Inc. (Centerplate)							
Consumer Services	First lien(3)	10.50% (Base Rate + 8.50%)	9/16/2016	14,962,500	14,527,858	15,056,016	6.22%
MLM Holdings, Inc.							
Software	First lien(4)	7.00% (Base Rate + 5.25%)	12/1/2016	14,962,500	14,739,863	14,775,469	6.11%
LANDesk Software, Inc.							
Software	First lien(4)	7.00% (Base Rate + 5.25%)	3/28/2016	15,000,000	14,701,917	14,718,750	6.08%
SonicWALL, Inc.							
Software	First lien(4)	8.26% (Base Rate + 6.19%)	1/23/2016	4,485,887	4,507,797	4,519,531	
	Second lien(3)	12.00% (Base Rate + 10.00%)	1/23/2017	10,000,000	9,712,391	10,050,000	
				14,485,887	14,220,188	14,569,531	6.02%
Virtual Radiologic Corporation							
Healthcare Information Technology	First lien(4)	7.75% (Base Rate + 4.50%)	12/22/2016	14,000,000	13,790,000	13,965,000	5.77%
Asurion, LLC							
Business Services	First lien(4)	6.75% (Base Rate + 5.25%)	3/31/2015	13,000,000	12,494,497	13,052,234	5.40%
Aspen Dental Management, Inc.							
Healthcare Services	First lien(4)	7.72% (Base Rate + 6.00%)	10/6/2016	12,967,500	12,713,475	13,016,128	5.38%
Firefox Merger Sub, LLC (f/k/a Fibertech Networks, LLC)							
Telecommunication	First lien(4)	6.75% (Base Rate + 5.00%)	11/30/2016	12,000,000	11,821,633	12,240,000	5.06%
Airvana Network Solutions Inc.							
Software	First lien(3)	11.00% (Base Rate + 9.00%)	8/27/2014	11,833,333	11,611,357	11,890,039	4.91%
Mailsouth, Inc.							
Media	First lien(4)	7.00% (Base Rate + 3.75%)	12/14/2016	12,000,000	11,820,000	11,880,000	4.91%
Merge Healthcare Inc.							
Healthcare Services	First lien(3)	11.75%	5/1/2015	11,000,000	10,808,642	11,770,000	4.87%
Merrill Communications LLC							

Business Services	First lien(3)	8.50% (Base Rate + 6.50%)	12/22/2012	11,421,788	9,332,773	11,393,234	4.71%

The accompanying notes are an integral part of these combined financial statements.

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.

Combined Schedule of Investments
December 31, 2010

Portfolio Company, Location and Industry	Type of Investment	Interest Rate	Maturity Date	Principal Amount, Par Value or Shares	Cost	Fair Value	Percent of Member's Capital
PODS Holding Funding Corp.							
Consumer Services	Subordinated	16.64%	12/23/2015	11,664,000	$ 10,137,299	$ 10,117,351	4.18%
Vertafore, Inc							
Software	Second lien(3)	9.75% (Base Rate + 8.25%)	10/29/2017	10,000,000	9,901,457	10,106,250	4.18%
CHG Companies, Inc.							
Healthcare Services	Second lien(3)	11.25% (Base Rate + 9.50%)	4/7/2017	10,000,000	9,804,011	9,900,000	4.09%
First Data Corporation							
Business Services	First lien(3)	3.01% (Base Rate + 2.75%)	9/24/2014	10,646,143	7,932,011	9,842,273	4.07%
Focus Brands, Inc.							
Franchises	First lien(4)	7.25% (Base Rate + 5.50%)	11/5/2016	9,181,818	9,091,224	9,285,114	3.84%
Sunquest Information Systems, Inc.							
Healthcare Services	Second lien	9.75% (Base Rate + 8.50%)	6/16/2017	9,000,000	8,820,000	9,000,000	3.72%
Mach Gen, LLC							
Power Generation	Second lien	7.79% (Base Rate + 7.50%)	2/22/2015	11,145,736	8,580,242	7,803,431	3.23%
SSI Investments II Limited							
Education	Subordinated(3)	11.13%	6/1/2018	7,000,000	7,064,923	7,630,000	3.15%
Hyland Software, Inc.							
Software	First lien(4)	6.75% (Base Rate + 5.00%)	12/19/2016	7,500,000	7,425,000	7,528,125	3.11%
Wyle Services Corporation							
Federal Services	First lien(4)	7.75% (Base Rate + 5.75%)	3/25/2016	7,481,234	7,508,583	7,509,290	3.10%
RGIS Services, LLC							
Business Services	First lien(3)	2.80% (Base Rate + 2.50%)	4/30/2014	7,394,480	5,807,941	6,913,839	
	First lien(1)	—	4/30/2013	5,000,000	(2,850,000)	(406,350)	
				12,394,480	2,957,941	6,507,489	2.69%
Alion Science and Technology Corporation							
Federal Services	First lien(3)	12.00%	11/1/2014	6,073,149	5,392,607	6,273,057	2.59%
Kronos Incorporated							
Software	First lien(1)	—	6/11/2013	4,198,500	(629,775)	(346,376)	
	Second lien(3)	6.05% (Base Rate + 5.75%)	6/11/2015	6,700,000	5,041,455	6,563,206	
				10,898,500	4,411,680	6,216,830	2.57%
Bartlett Holdings, Inc.							
Industrial Services	First lien(4)	6.75% (Base Rate + 5.00%)	11/23/2016	6,000,000	5,940,644	6,037,500	2.50%
Ozburn-Hessey Holding Company LLC							
Logistics	Second lien	10.50% (Base Rate + 8.50%)	10/8/2016	6,000,000	5,874,951	5,985,000	2.47%
Vision Solutions, Inc.							
Software	First lien(4)	7.75% (Base Rate + 6.00%)	7/23/2016	5,775,000	5,662,174	5,753,344	2.38%
LVI Services, Inc							
Industrial Services	First lien(3)	9.25% (Base Rate + 7.50%)	3/31/2014	5,162,883	4,304,472	4,388,450	1.81%
Stratus Technologies, Inc.							
Information Technology	First lien	12.00%	3/29/2015	5,000,000	4,796,989	4,225,000	1.75%
ATI Acquisition Company							
Education	First lien(3)	8.25% (Base Rate + 5.99%)	12/30/2014	4,455,000	4,304,106	4,076,325	1.68%
Physiotherapy Associates, Inc. / Benchmark Medical, Inc.							
Healthcare Facilities	First lien(3)	7.50% (Base Rate + 4.25%)	6/28/2013	3,823,549	3,063,441	3,594,136	1.49%
Brickman Group Holdings, Inc.							
Business Services	First lien(4)	7.25% (Base Rate + 5.50%)	10/14/2016	3,000,000	3,035,496	3,042,501	1.26%
Datatel, Inc							
Software	Second lien(3)	10.25% (Base Rate + 8.25%)	12/9/2016	2,000,000	1,964,077	2,042,500	0.84%
Applied Systems, Inc.							
Software	Second lien	9.25% (Base Rate + 7.75%)	6/8/2017	2,000,000	1,980,093	2,009,166	0.83%
Education Management LLC							
Education	First lien(1)	—	6/1/2012	3,000,000	(1,215,000)	(217,500)	-0.09%
Total United States				460,503,332	409,407,198	435,778,827	180.13%
Total debt investments				464,980,832	413,764,349	440,524,977	182.09%
Total investments					$414,308,823	$441,057,840	182.31%

(1) Par Value amounts represent the undrawn portion of revolving credit facilities. Cost amounts represent the cash received at settlement date increased for paydowns at par minus the purchase price.

(2) The company is headquartered in Canada. The debt is issued in USD.

(3) The Debt Funding credit facility is collateralized by the indicated investments.

(4) The SLF credit facility is collateralized by the indicated investments.

The accompanying notes are an integral part of these combined financial statements.

Table of Contents

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.

Combined Schedule of Investments
December 31, 2009

Portfolio Company, Location and Industry	Type of Investment	Interest Rate	Maturity Date	Principal Amount or Par Value	Cost	Fair Value	Percent of Capital
United States							
RGIS Services LLC							
Business Services	First lien(3)	2.77% (Base Rate + 2.50%)	4/30/2014	$ 42,401,155	$ 24,856,121	$ 37,339,517	
	First lien(1)	N/A	4/30/2013	5,000,000	(2,850,000)	(801,225)	
				47,401,155	22,006,121	36,538,292	15.26%
Managed Health Care Associates, Inc.							
Healthcare Services	First lien(3)	3.49% (Base Rate + 3.25%)	8/1/2014	22,607,775	16,573,280	20,120,920	
	Second lien	6.74% (Base Rate + 6.50%)	2/1/2015	15,000,000	10,606,416	11,325,000	
				37,607,775	27,179,696	31,445,920	13.13%
Brand Energy & Infrastructure Services, Inc.							
Industrial Services	First lien(3)	2.56% (Base Rate + 2.25%)	2/7/2014	9,908,492	6,792,468	9,227,283	
	First lien(3)	3.56% (Base Rate + 3.25%)	2/7/2014	11,290,356	7,427,605	10,542,369	
	First lien(3)	0.31%	2/7/2014	2,626,906	1,557,038	2,364,216	
	Second lien	6.31% (Base Rate + 6.00%)	2/7/2015	6,000,000	2,924,345	5,017,501	
				29,825,754	18,701,456	27,151,369	11.34%
Kronos, Inc.							
Software	First lien(3)	2.25% (Base Rate + 2.00%)	6/11/2014	14,003,302	10,784,508	13,268,129	
	First lien(1)	N/A	6/11/2013	4,198,500	(629,775)	(535,308)	
	Second lien	6.00% (Base Rate + 5.75%)	6/11/2015	10,700,000	7,679,027	9,416,000	
				28,901,802	17,833,760	22,148,821	9.25%
First Data Corporation							
Business Services	First lien(3)	3.00% (Base Rate + 2.75%)	9/24/2014	23,756,962	16,525,978	21,135,035	8.83%
CRC Health Corporation							
Healthcare Facilities	First lien(3)	2.50% (Base Rate + 2.25%)	2/6/2013	22,664,733	16,474,148	20,568,245	8.59%
CDW Corporation							
Distribution	First lien(3)	4.23% (Base Rate + 4.00%)	10/10/2014	21,942,591	17,949,214	18,968,579	7.92%
Attachmate Corporation							
Software	Second lien	7.00% (Base Rate + 6.75%)	10/13/2013	22,500,000	15,897,869	18,450,000	7.71%
Brock Holdings							
Industrial Services	First lien(3)	2.32% (Base Rate + 1.96%)	2/26/2014	18,873,478	14,892,436	15,712,170	6.56%
Laureate Education, Inc.							
Education	First lien(3)	3.53% (Base Rate + 3.25%)	8/15/2014	17,344,259	11,399,671	15,533,952	6.49%
Catalent Pharma Solutions, Inc. (f.k.a. Cardinal Health)							
Healthcare Products	First lien(3)	2.48% (Base Rate + 2.25%)	4/10/2014	13,315,510	9,910,051	11,368,117	
	First lien(1)	N/A	4/10/2013	15,000,000	(6,350,000)	(2,625,000)	
	Subordinated(2)	9.75%	4/15/2017	8,914,370	2,578,986	6,574,347	
				37,229,880	6,139,037	15,317,464	6.40%
Sheridan Holdings, Inc.							
Healthcare Services	First lien(3)	2.50% (Base Rate + 2.25%)	6/13/2014	15,674,451	10,862,969	14,420,495	6.02%
Intralinks Holdco							
Software	Subordinated	13.00%	6/15/2015	18,313,821	8,883,957	11,354,569	4.74%
Merrill Communications LLC							
Business Services	First lien(3)	8.50% (Base Rate + 6.50%)	12/22/2012	11,421,788	8,625,678	9,151,708	3.82%
Ability Acquisitions, Inc							
Education	First lien	8.25% (Base Rate + 5.00%)	12/30/2014	4,500,000	4,320,000	4,387,500	
	Subordinated	13.25% (Base Rate + 10.00%)	12/29/2015	4,500,000	4,410,000	4,410,000	
				9,000,000	8,730,000	8,797,500	3.67%
Mach Gen, LLC							
Power Generation	Second lien	7.76% (Base Rate + 7.50%)	2/20/2015	10,311,269	7,385,760	7,016,819	2.93%
Berry Plastics Group, Inc.							

Packaging	First lien(3)	2.25% (Base Rate + 2.00%)	4/3/2015	7,918,575	5,591,155	6,911,435	2.89%
Mega Brands, Inc							
Consumer Products	First lien	9.75% (Base Rate + 6.25%)	7/26/2012	11,744,042	6,266,503	6,165,622	2.58%
Brickman Group, Ltd.							
Maintenance services	First lien(3)	2.25% (Base Rate + 2.00%)	1/23/2014	4,238,030	3,859,285	4,008,468	1.67%

The accompanying notes are an integral part of these combined financial statements.

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.

Combined Schedule of Investments (Continued)
December 31, 2009

Portfolio Company, Location and Industry	Type of Investment	Interest Rate	Maturity Date	Principal Amount or Par Value	Cost	Fair Value	Percent of Capital
Physiotherapy Associates, Inc.							
Healthcare Facilities	First lien	7.50% (Base Rate + 4.25%)	6/28/2013	$ 4,387,521	$ 3,278,242	$ 3,283,327	1.37%
LVI Services, Inc							
Industrial Services	First lien	9.25% (Base Rate + 6.00%)	11/16/2011	4,354,396	3,046,874	2,830,358	1.18%
Datatel, Inc							
Software	Second lien	10.25% (Base Rate + 8.25%)	12/9/2016	2,000,000	1,960,143	2,030,000	0.85%
Sabre, Inc.							
Information Technology	First lien(3)	2.49% (Base Rate + 2.25%)	9/30/2014	2,000,000	1,539,412	1,822,500	0.76%
Education Management Corporation							
Education	First lien(1)	N/A	6/1/2012	3,000,000	(1,215,000)	(240,000)	-0.10%
				$412,412,282	$253,814,364	$320,522,648	133.86%

(1) Par Value amounts represent the undrawn portion of revolving credit facilities. Cost amounts represent the cash received at settlement date increased for paydowns at par minus the purchase price.

(2) Reported in USD (locally denominated in Euros)

(3) The credit facility is collateralized by the indicated investments.

The accompanying notes are an integral part of these combined financial statements.

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.

Combined Statements of Operations

	Year ended December 31, 2010	Year ended December 31, 2009	Period from October 29, 2008 (commencement of operations) to December 31, 2008
Investment income			
Interest income	$ 40,485,158	$ 21,108,672	$ 85,735
Other income	889,619	658,035	170,208
Total investment income	41,374,777	21,766,707	255,943
Expenses			
Interest and other credit facility expenses	2,948,460	490,189	—
Other general and administrative expenses	563,726	351,952	—
Professional fees	327,331	381,877	—
Management fee, net	70,999	134,966	—
Total expenses	3,910,516	1,358,984	—
Net investment income	37,464,261	20,407,723	255,943
Realized gains on investments	66,287,267	37,128,956	—
Net change in unrealized (depreciation) appreciation of investments	(39,959,267)	68,143,411	(1,435,127)
Net increase (decrease) in capital resulting from operations	$ 63,792,261	$ 125,680,090	$ (1,179,184)

The accompanying notes are an integral part of these combined financial statements.

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.

Combined Statements of Changes in Capital

	Year ended December 31, 2010	Year ended December 31, 2009	Period from October 29, 2008 (commencement of operations) to December 31, 2008
Increase (Decrease) in net assets resulting from operations:			
Net investment income	$ 37,464,261	$ 20,407,723	$ 255,943
Realized gains on investments	66,287,267	37,128,956	—
Net change in unrealized (depreciation) appreciation of investments	(39,959,267)	68,143,411	(1,435,127)
Net increase (decrease) in net assets resulting from operations	63,792,261	125,680,090	(1,179,184)
Distributions	(115,940,206)	(202,095,083)	—
Contributions	54,634,523	285,501,773	31,533,087
Net increase in net assets	2,486,578	209,086,780	30,353,903
Capital at beginning of period	239,440,683	30,353,903	—
Capital at end of period	$ 241,927,261	$ 239,440,683	$ 30,353,903

The accompanying notes are an integral part of these combined financial statements.

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.

Combined Statements of Cash Flows

	Year ended December 31, 2010	Year ended December 31, 2009	Period from October 29, 2008 (commencement of operations) to December 31, 2008
Cash flows from operating activities			
Net increase (decrease) in capital resulting from operations	$ 63,792,261	$ 125,680,090	$ (1,179,184)
Adjustments to reconcile net increase (decrease) in capital resulting from operations to net cash provided by (used in) operating activities:			
Purchase of investments	(332,708,278)	(274,180,589)	(65,873,356)
Proceeds from sales and paydowns of investments	260,039,529	125,429,657	132,205
Cash received for purchase of undrawn portion of revolving credit facility	—	5,798,346	2,854,860
Cash paid for sale of undrawn portion of revolving credit facility	(1,837,500)	—	—
Amortization of purchase discount	(16,326,857)	(10,030,920)	—
Realized gains on investments	(66,287,267)	(37,128,956)	—
Net change in unrealized depreciation (appreciation) of investments	39,959,267	(68,143,411)	1,435,127
Non-cash interest	(3,374,086)	(815,611)	—
Amortization of defferred credit facility costs	69,909	—	—
Decrease (increase) in receivable from unsettled securities sold	5,124,622	(5,124,622)	—
Increase in interest receivable	(2,209,025)	(770,292)	(28,470)
Increase in other assets	(4,435)	(1,407)	—
Increase (decrease) in payable for unsettled securities purchased	82,230,235	(19,082,935)	31,315,200
Increase in other liabilities	432,931	274,641	—
(Decrease) increase in payable to affiliates	(190,500)	392,679	—
Increase in interest payable	340,503	472,689	—
Net cash flows provided by (used in) operating activities	29,051,309	(157,230,641)	(31,343,618)
Cash flows from financing activities			
Contributions	54,634,523	285,501,773	31,533,087
Distributions	(115,940,206)	(202,095,083)	—
Repayment of Debt Funding credit facility	(62,898,232)	—	—
Proceeds from Debt Funding credit facility	44,850,495	77,744,675	—
Proceeds from SLF credit facility	56,936,000	—	—
Net cash flows (used in) provided by financing activities	(22,417,420)	161,151,365	31,533,087
Net increase in cash and cash equivalents	6,633,889	3,920,724	189,469
Cash and cash equivalents at the beginning of the period	4,110,193	189,469	—
Cash and cash equivalents at the end of the period	$ 10,744,082	$ 4,110,193	$ 189,469
Supplemental disclosure of cash flow information			
Interest paid	$ 2,130,839	$ —	$ —
Non-cash financing activities:			
Accrual for deferred offering costs	3,528,110	—	—
Accrual for deferred credit facility costs	1,950,029	—	—

The accompanying notes are an integral part of these combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

1. Formation and Business Purposes

New Mountain Guardian (Leveraged), L.L.C. ("NMG (Leveraged)" or the "LLC") is a Delaware limited liability company formed on October 29, 2008 as an investment vehicle for New Mountain Guardian AIV, L.P. ("NMG AIV" or the "Partnership"). NMG AIV is the sole member of NMG (Leveraged). NMG AIV was formed by New Mountain Partners III, L.P. ("NMP III") as an alternative investment vehicle to invest in Permitted Debt Investments pursuant to the NMP III Second Amended and Restated Partnership Agreement, Amendment #2, passed by a majority of the limited partners. New Mountain Guardian Debt Funding, L.L.C. ("NMG DF") and New Mountain Guardian SPV Funding, L.L.C. ("NMG SLF") are Delaware limited liability companies formed on October 9, 2009 and October 7, 2010, respectively, as investment vehicles for NMG (Leveraged). NMG (Leveraged) is the sole member of both NMG DF and NMG SLF.

New Mountain Guardian Partners, L.P. ("NMGP") is a Delaware limited partnership formed on February 20, 2009 to achieve long-term capital appreciation through debt and debt-related investments. The General Partner of NMGP is New Mountain Guardian GP, L.L.C. (the "General Partner"), a Delaware limited liability company. The sole limited partner of NMGP is New Mountain Guardian Partners (Cayman), L.P. ("NMGP Cayman"). New Mountain Guardian Partners (Leveraged), L.L.C. ("NMGP Leveraged") and New Mountain Guardian Partners Debt Funding, L.L.C. ("NMGP DF") are both Delaware limited liability companies that were formed on October 9, 2009 as investment vehicles for NMGP. NMGP is the sole member of NMGP Leveraged and NMGP Leveraged is the sole member of NMGP DF. On October 7, 2010, New Mountain Guardian Partners SPV Funding, L.L.C. ("NMGP SLF") was formed as an additional investment vehicle with NMGP Leveraged as its sole member.

For financial statement purposes, NMG DF and NMG SLF are consolidated into NMG (Leveraged) and NMGP DF and NMGP SLF are consolidated into NMGP Leveraged. NMGP Leveraged is consolidated into NMGP. NMG (Leveraged) and NMGP are combined in these financial statements. As used herein, references to the "Combined Entities" refers to the combined NMG (Leveraged) and NMGP. These entities have been combined as they are under common control and management.

2. Summary of Significant Accounting Policies

Basis of accounting — The combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The combined financial statements reflect all adjustments and reclassifications which, in the opinion of management, are necessary for the fair presentation of the results of operations and financial condition for all periods presented. All intercompany transactions have been eliminated. Revenues are recognized when earned and expenses when incurred.

Investments — The Combined Entities account for their investments at fair value. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments are reflected on the Combined Statements of Assets, Liabilities and Capital at fair value, with changes in unrealized gains and losses resulting from changes in fair value reflected in the Combined Statements of Operations as "Net change in unrealized (depreciation) appreciation of investments" and

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

2. Summary of Significant Accounting Policies (Continued)

realizations on portfolio investments reflected in the Combined Statements of Operations as "Realized gains on investments."

To determine the fair value of the investments, the Combined Entities use market quotations if readily available or indicative prices from pricing services or brokers or dealers if market quotations are not readily available. The Combined Entities may corroborate the quoted price with the same or similar transactions that a broker or others have entered into. When neither the market quotations nor indicative prices are readily available, the Combined Entities may estimate the fair value using the market approach and/or the income approach, each of which involve a significant degree of judgment, or by using independent valuation firms at least once annually if a materiality threshold is met.

Management of the Combined Entities is responsible for determining the fair value of the investments.

The values assigned to investments are based upon available information and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot be reasonably determined until the individual positions are liquidated.

Investment transactions are recorded on a trade date basis.

See Note 3, *Investments*, for further discussion relating to the Combined Entities' investments.

Revenue recognition — The Combined Entities' Revenue Recognition policies are as follows:

Sales and paydowns of investments: Realized gains and losses on investments are determined on the specific identification method.

Interest income: Interest income, including amortization of premium and discount using the effective interest method, is recorded on the accrual basis and periodically assessed for collectability. Interest income also includes interest earned from cash on hand. Upon the prepayment of a loan or debt security, any prepayment penalties are recorded as part of interest income. The Combined Entities have loans in their portfolio that contain a payment-in-kind ("PIK") provision. PIK represents interest that is accrued and recorded as interest income at the contractual rates, added to the loan principal on the respective capitalization dates, and generally due at maturity.

Other income: Other income represents delayed compensation and miscellaneous fees received. Delayed compensation is income earned from counterparties on trades that do not settle within a set number of business days after trade date.

Interest and other credit facility expenses — Interest and other credit facility fees are recorded on an accrual basis. See Note 8, *Credit Facility*, for details.

Income taxes — NMG (Leveraged), NMG DF, and NMG SLF are single member limited liability companies which are disregarded for federal, state, and local income tax purposes. The

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

2. Summary of Significant Accounting Policies (Continued)

assets, liabilities, investment income, and expenses of NMG (Leveraged), NMG DF, and NMG SLF are recorded on the federal and state income tax returns of NMG AIV, the ultimate sole owner.

NMGP (Leveraged), NMGP DF, and NMGP SLF are single member limited liability companies, which are disregarded for federal, state, and local income tax purposes. The assets, liabilities, investment income, and expenses of NMGP (Leveraged), NMGP DF, and NMGP SLF are recorded on the federal and state income tax returns of NMGP, the ultimate sole owner.

NMG AIV and NMGP are partnerships and are themselves not subject to income taxes. Each partner of NMG AIV and NMGP is individually responsible for reporting income or loss, to the extent required by federal and state income tax laws and regulations, based upon its respective share of each Partnership's net taxable income. Accordingly, income taxes have not been provided for in the accompanying combined financial statements.

The tax years from 2008 through the present of NMG AIV and the tax years from 2009 through the present for NMGP remain subject to examination by the U.S. Federal, state, and local tax authorities.

Cash and cash equivalents — The Combined Entities consider cash and cash equivalents to be cash and short-term, highly liquid investments with original maturities of three months or less.

Carried interest — Carried Interest is comprised of two amounts. First, amounts on unrealized appreciation and interest income are allocated to the General Partner of NMGP on the assumption that NMGP ceased operations on December 31, 2010 and liquidated its investments at the current valuation. In this hypothetical scenario the General Partner would be due these amounts on the distribution of proceeds raised from the liquidation. The second amount is any actual distribution of Carried Interest made during the reporting period.

The General Partner had received no distributions of carried interest as of December 31, 2010 or December 31, 2009. For the year ended December 31, 2010 and December 31, 2009, the General Partner was allocated $303,269 and $250,511 of Unrealized Carried Interest, respectively. NMG (Leveraged) does not have any allocations or payments of Carried Interest as it is structured as a limited liability company. Carried Interest is allocated to and paid from NMG AIV.

Foreign securities — The accounting records of the Combined Entities are maintained in U.S. dollars. Investment securities denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollars based on the rate of exchange of such currencies on the respective dates of the transactions. The Combined Entities do not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with "Net change in unrealized (depreciation) appreciation of investments" and "Realized gains on investments" in the Combined Statements of Operations.

Certain of the Combined Entities' investments are denominated in foreign currencies that may be negatively affected by movements in the rate of exchange between the United States dollar and

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

2. Summary of Significant Accounting Policies (Continued)

such foreign currencies. This movement is beyond the control of the Combined Entities and cannot be predicted.

Deferred offering costs — Offering costs consist of fees related to legal, accounting, regulatory, and printing work in connection with the proposed initial public offering of the Combined Entities.

Deferred credit facility costs — Deferred credit facility costs consist of fees related to loan origination costs in connection with the credit facility. See Note 8, *Credit Facility*, for details.

Use of estimates — The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting periods. Changes in the economic environment, financial markets, and other metrics used in determining these estimates could cause actual results to differ from the estimates used, and the differences could be material.

3. Investments

At December 31, 2010 investments consisted of the following:

Investment Cost and Fair Value by Type

	Cost	Fair Value
First lien	$ 303,924,269	$ 321,212,659
Second lien	90,027,745	98,934,554
Subordinated	19,812,335	20,377,764
Equity and other	544,474	532,863
Total investments	$ 414,308,823	$ 441,057,840

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

3. Investments (Continued)

Investment Cost and Fair Value by Industry

	Cost	Fair Value
Business Services	$ 53,482,718	$ 61,657,732
Consumer Services	24,665,157	25,173,367
Education	30,015,648	31,505,814
Energy	4,357,151	4,746,150
Federal Services	30,834,041	31,796,045
Franchises	9,091,224	9,285,114
Healthcare Facilities	3,063,441	3,594,136
Healthcare Information Technology	13,790,000	13,965,000
Healthcare Services	88,073,362	94,834,674
Industrial Services	10,245,116	10,425,950
Information Technology	4,854,762	4,280,423
Logistics	5,874,951	5,985,000
Media	11,820,000	11,880,000
Power Generation	8,580,242	7,803,431
Software	103,739,377	111,885,004
Telecommunication	11,821,633	12,240,000
Total investments	$ 414,308,823	$ 441,057,840

At December 31, 2009 investments consisted of the following:

Investment Cost and Fair Value by Type

	Cost	Fair Value
First lien	$ 191,487,861	$ 244,928,412
Second lien	46,453,560	53,255,320
Subordinated	15,872,943	22,338,916
Total investments	$ 253,814,364	$ 320,522,648

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

3. Investments (Continued)

Investment Cost and Fair Value by Industry

	Cost	Fair Value
Business Services	$ 47,157,777	$ 66,825,035
Consumer Products	6,266,503	6,165,622
Distribution	17,949,214	18,968,579
Education	18,914,671	24,091,452
Healthcare Facilities	19,752,390	23,851,572
Healthcare Products	6,139,037	15,317,464
Healthcare Services	38,042,665	45,866,415
Industrial Services	36,640,766	45,693,897
Information Technology	1,539,412	1,822,500
Maintenance services	3,859,285	4,008,468
Packaging	5,591,155	6,911,435
Power Generation	7,385,760	7,016,819
Software	44,575,729	53,983,390
Total investments	$ 253,814,364	$ 320,522,648

As of December 31, 2010 and December 31, 2009, there were no assets being accounted for on a non-accrual basis.

As of December 31, 2010 and December 31, 2009, the Combined Entities have unfunded commitments on revolving credit facilities of $12,198,500 and $27,198,500, respectively, which are disclosed on the Combined Schedules of Investments.

4. Fair Value

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting Standards Codification 820, *Fair Value Measurement and Disclosure*, ("ASC 820") establishes a fair value hierarchy that prioritizes and ranks the inputs to valuation techniques used in measuring investments at fair value. This hierarchy consists of three levels. The inputs used to measure fair value may fall into different levels. The level within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The Combined Entities' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The hierarchy classifies the inputs used in measuring fair value as follows:

Level I — Quoted prices (unadjusted) are available in active markets for identical investments that the Combined Entities have the ability to access as of the reporting date. The type of investments which would generally be included in Level I include listed equity securities and listed derivatives. As required by ASC 820, the Combined Entities, to the extent that they hold such investments, do not adjust the quoted price for these investments, even in

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

4. Fair Value (Continued)

situations where the Combined Entities hold a large position and a sale could reasonably impact the quoted price.

Level II — Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Fair value is determined through the use of a pricing service or broker, models, or other valuation methodologies.

Level III — Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation by Management.

A review of the fair value hierarchy classifications is conducted on a quarterly basis. Changes in the observability of valuation inputs may result in the reclassification of certain investments within the fair value hierarchy.

The following table summarizes the levels in the fair value hierarchy that the Combined Entities' portfolio investments fall into as of December 31, 2010:

	Total	Level I	Level II	Level III
First lien	$ 321,212,659	$ —	$ 304,237,325	$ 16,975,334
Second lien	98,934,554	—	98,934,554	—
Subordinated	20,377,764	—	7,630,000	12,747,764
Equity and other	532,863	—	—	532,863
Total investments	$ 441,057,840	$ —	$ 410,801,879	$ 30,255,961

The following table summarizes the levels in the fair value hierarchy that the Combined Entities' portfolio investments fall into as of December 31, 2009:

	Total	Level I	Level II	Level III
First lien	$ 244,928,412	$ —	$ 244,928,412	$ —
Second lien	53,255,320	—	53,255,320	—
Subordinated	22,338,916	—	22,338,916	—
Total investments	$ 320,522,648	$ —	$ 320,522,648	$ —

The following table summarizes the changes in fair value of Level III portfolio investments for the year ended December 31, 2010, as well as the portion of appreciation (depreciation) included in

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

4. Fair Value (Continued)

income attributable to unrealized appreciation (depreciation) related to those assets and liabilities still held at December 31, 2010:

	Total	First Lien	Subordinated	Equity and other
Fair value, December 31, 2009	$ —	$ —	$ —	$ —
Total gains or losses included in earnings:				
Net change in unrealized appreciation (depreciation)	146,416	157,678	349	(11,611)
Purchases, including capitalized PIK(1)(2)	30,349,545	17,057,656	12,747,415	544,474
Transfers into Level III(3)	(240,000)	(240,000)	—	—
Fair value, December 31, 2010	$ 30,255,961	$ 16,975,334	$ 12,747,764	$ 532,863
Unrealized appreciation (depreciation) for the period relating to those Level III assets that were still held by the Combined Entities at the end of the period:	$ 146,416	$ 157,678	$ 349	$ (11,611)

(1) Includes net amortization of purchase discounts or premiums of approximately $184,263, $36,603, and $147,660, and $0, respectively.

(2) The purchases in the table above include the purchase of PODS Holding Funding Corp. at a cost of $8,433,541. In accordance with the Combined Entities' valuation policy, this asset was transferred from a Level II investment to a Level III investment during the three months ended September 30, 2010.

(3) The transfer into Level III in the table above represents the transfer of Education Management Corporation at a fair value of ($240,000). In accordance with the Combined Entities' valuation policy, this asset was transferred from a Level II investment to a Level III investment during the three months ended December 31, 2010.

Investments are transferred using the fair value as of the beginning of each year to date period. Except as noted in the table above, there were no other transfers in or out of Level I, II, or III during the year ended December 31, 2010.

There were no investments classified as Level III as of December 31, 2009.

Fair value risk factors — The Combined Entities seek investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the Combined Entities' investments conduct their operations, as well as general economic and political conditions, may have a significant negative impact on the operations and profitability of the Combined Entities' investments and/or on the fair value of the Combined Entities' investments.

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

4. Fair Value (Continued)

Also, there may be risk associated with the concentration of investments in one geographic region or in certain industries.

The above events are beyond the control of the Combined Entities and cannot be predicted. Furthermore, the ability to liquidate investments and realize value is subject to uncertainties.

5. Allocations of Distributions and Profits and Losses

Items of income, expense, gain, and loss of NMG (Leveraged) are allocated to its sole member NMG AIV. Items of income, expense, gain, and loss of NMGP are allocated to its partners in accordance with the Partnership Agreement of NMGP.

6. Management of the Combined Entities

NMG (Leveraged) has appointed New Mountain Capital, L.L.C. ("New Mountain Capital") and NMGP has appointed New Mountain Guardian Advisors, L.L.C. ("New Mountain Guardian Advisors") as the investment advisers and Managers of the Combined Entities. A Management Fee is not charged to NMG (Leveraged), as it is paid to New Mountain Capital by NMP III. A Management Fee is paid by NMGP to New Mountain Guardian Advisors in semi-annual installments on January 1 and July 1 of each year (the "Payment Date"). During the Investment Period, the Management Fee is equal to 0.875% per annum of Capital Commitments of NMGP Cayman and, thereafter, is equal to 0.5% per annum of the Actively Invested Capital of NMGP Cayman as of the relevant Payment Date. The Management Fee is reduced, but not below zero, by (a) Placement fees paid by NMGP Cayman since the preceding Payment Date; (b) 65% of the break-up, transaction and/or monitoring fees received in the preceding year by the Manager and (c) NMGP's share of organization costs paid in excess of $1 million. Gross management fee for the year ended December 31, 2010 of $175,000 was reduced by $104,001 relating to transaction fees. Gross management fee of $134,966 was charged for the year ended December 31, 2009. There was no reduction related to transaction fees.

7. Related Parties

Payable to affiliates represents amounts payable to New Mountain Capital for amounts paid on behalf of the Combined Entities.

8. Credit Facility

Debt Funding Credit Facility:

The Loan and Security Agreement dated October 21, 2009 among NMG (Leveraged) as the Collateral Manager, NMG DF as the borrower, Wells Fargo Securities, L.L.C. as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian, is structured as a revolving credit facility and matures on October 21, 2014. The maximum amount of revolving borrowings available under the credit facility is $112,500,000. The outstanding balance of this facility as of December 31, 2010 and December 31, 2009 was $59,696,938 and $75,778,584, respectively. The credit facility is collateralized by the investments of NMG DF on an investment by investment

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

8. Credit Facility (Continued)

basis, totaling $215,393,015 as of December 31, 2010 and $227,183,693 as of December 31, 2009. NMG DF was in compliance with all of its debt covenants as of December 31, 2010 and December 31, 2009.

The Loan and Security Agreement dated November 19, 2009 among NMGP Leveraged as the Collateral Manager, NMGP DF as the borrower, Wells Fargo Securities, L.L.C. as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian, is structured as a revolving credit facility and matures on October 21, 2014. The maximum amount of revolving borrowings available under this credit facility is $7,500,000. There was no outstanding balance of this facility as of December 31, 2010. The outstanding balance as of December 31, 2009 was $1,966,091. The credit facility is collateralized by the investments of NMGP DF on an investment by investment basis, totaling $12,081,913 as of December 31, 2010 and $5,279,445 as of December 31, 2009. NMGP DF was in compliance with all of its debt covenants as of December 31, 2010 and December 31, 2009.

The credit facilities of NMG DF and NMGP DF (together, the "Debt Funding Credit Facility") bear interest at a rate of LIBOR plus 3.00% per annum. A commitment fee is also paid, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the credit agreement). Interest expense and commitment fees were $2,248,078 and $320,848, respectively, on a combined basis for the year ended December 31, 2010. Interest expense and commitment fees were $420,723 and $51,966, respectively, on a combined basis for the year ended December 31, 2009. The weighted average interest rate for the year ended December 31, 2010 for each facility was 3.3%. The weighted average interest rate for the year ended December 31, 2009 for each facility was 3.2%.

A First Amendment to the Loan and Security Agreements among NMG DF and NMGP DF as the borrowers, Wells Fargo Securities, LLC as Administrative Agent, and Wells Fargo Bank, National Association, as Collateral Custodian was executed on August 6, 2010 and August 10, 2010, respectively. These amendments grant the entities leverage through the use of non-first lien debt investments as collateral. The un-amended facility only permitted the use of first lien debt instruments as collateral. The Debt Funding Credit Facility permits borrowings of up to 45% and 25% of the purchase price of pledged debt securities subject to approval by Wells Fargo Bank, N.A. of first lien and non-first lien debt investments, respectively.

SLF Credit Facility:

The Loan and Security Agreement dated October 27, 2010 among NMG SLF as the borrower, NMG (Leveraged) as the Collateral Administrator, Wells Fargo Securities, L.L.C. as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian, is structured as a revolving credit facility and matures on October 27, 2015. The maximum amount of revolving borrowings available under the credit facility is $93,750,000. The outstanding balance of this facility as of December 31, 2010 was $53,312,360. The loan is non-recourse to NMG (Leveraged) and secured by all assets owned by the borrower, which includes the investments of NMG SLF totaling $161,548,326 as of December 31, 2010. NMG SLF was in compliance with all of its debt covenants as of December 31, 2010.

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

8. Credit Facility (Continued)

The Loan and Security Agreement dated October 27, 2010 among NMGP (Leveraged) as the Collateral Administrator, NMGP SLF as the borrower, Wells Fargo Securities, L.L.C. as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian, is structured as a revolving credit facility and matures on October 27, 2015. The maximum amount of revolving borrowings available under this credit facility is $6,250,000. The outstanding balance of this facility as of December 31, 2010 was $3,623,640. The loan is non-recourse to NMGP and secured by all assets owned by the borrower, which includes the investments of NMGP SLF totaling $10,985,286 as of December 31, 2010. NMGP SLF was in compliance with all of its debt covenants as of December 31, 2010.

The credit facilities of NMG SLF and NMGP SLF (together, the "SLF Credit Facility") permit borrowings of up to 67.0% of the purchase price of pledged debt securities subject to approval by Wells Fargo Bank, N.A. and bear interest at a rate of LIBOR plus 2.25% per annum. A commitment fee is paid, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the credit agreement). For the period October 7, 2010 (commencement of SLF operations) through December 31, 2010, interest expense and commitment fees for the SLF Credit Facility were $127,325 and $66,301, respectively, on a combined basis. The weighted average interest rate for the period October 7, 2010 (commencement of SLF operations) through December 31, 2010 for each facility was 2.5%.

9. Commitments and Contingencies

In the normal course of business, the Combined Entities enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. In addition, under the terms of the LLC Agreement and limited partnership agreement, the Combined Entities have agreed to indemnify Management, its officers, directors, employees, agents or any person who serves on behalf of the Combined Entities from any loss, claim, damage, or liability which such person incurs by reason of performance of activities of the Combined Entities, provided they acted in good faith. Based on experience, Management expects the risk of loss related to the Combined Entities' indemnifications to be remote.

The Combined Entities have unfunded commitments on revolving credit facilities, which are disclosed on the Combined Schedules of Investments and in Note 3, *Investments*.

The Combined Entities may from time to time enter into bridge financing commitments, an obligation to provide interim financing to a counterparty until permanent credit can be obtained. These commitments are short-term in nature and may expire unfunded. As of December 31, 2010, the Combined Entities had no outstanding bridge financing commitments.

The Combined Entities have revolving borrowings available under credit facilities. See Note 8, *Credit Facility*, for details.

10. Financial Highlights

Financial highlights are calculated for the Combined Entities as a whole. The total return is the ratio of net increase (decrease) in capital resulting from operations compared to capital, adjusted

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

10. Financial Highlights (Continued)

for average capital contributions and distributions. Total return from commencement of operations through December 31, 2008 was deemed not meaningful due to the scaling of operations during this short time period.

Total Return for the year ended December 31, 2010	27%
Total Return for the year ended December 31, 2009	76%

Ratios to Average Capital for the year ended December 31, 2010:

Expenses, excluding carried interest	1.6%
Carried interest	0.1%
Total expenses and carried interest	1.7%
Net investment income	15.2%

Ratios to Average Capital for the year ended December 31, 2009:

Expenses, excluding carried interest	0.7%
Carried interest	0.1%
Total expenses and carried interest	0.8%
Net investment income	10.4%

Ratios to Average Capital from October 29, 2008 to December 31, 2008:

Expenses, excluding carried interest	0.0%
Carried interest	0.0%
Total expenses and carried interest	0.0%
Net investment income (annualized)	9.4%

11. Recent Accounting Standards Updates

In January 2010, the FASB issued Accounting Standards Update No. 2010-06 ("ASU 2010-06"), *Improving Disclosures about Fair Value Measurements*, which, among other things, amends ASC 820 to require entities to separately present purchases, sales, issuances, and settlements in their reconciliation of Level 3 fair value measurements (i.e., to present such items on a gross basis rather than on a net basis), and which clarifies existing disclosure requirements provided by ASC 820 regarding the level of disaggregation and the inputs and valuation techniques used to measure fair value for measurements that fall within either Level 2 or Level 3 of the fair value hierarchy. ASU 2010-06 is effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements (which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years). The adoption on January 1, 2010 of the applicable additional disclosure requirements of ASU 2010-06 did not materially impact the Combined Entities' combined financial statements. Management is currently

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

11. Recent Accounting Standards Updates (Continued)

assessing the impact that the adoption of the additional disclosure requirements, which will be effective in 2011, will have on the Combined Entities' combined financial statement disclosures.

12. Restatement of the Audited Combined Financial Statements

Due to recent regulatory interpretations of the consolidation guidance, the December 31, 2010 financial statements of the Combined Entities have been restated to reflect the consolidation of NMG SLF and NMGP SLF (together, "SLF"). The Combined Entities' previously reported financial statements reflected SLF as an equity investment on the Statement of Assets, Liabilities, and Capital with any changes in the fair value of the SLF flowing through net change in unrealized (depreciation) appreciation of investments. Management considers this an immaterial restatement as the Combined Entities' filing of Form N-2 on February 28, 2011 included full disclosure of SLF as well as the full combined financial statements and notes of SLF within the filing. Users had sufficient information to prevent the lack of consolidation of SLF from being materially misleading.

The following tables detail the impact of the restatement on each line item of the financial statements of the Combined Entities. Although not shown in this note, the restated New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P. Combined Schedule of Investments reflects the individual investments of SLF.

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

12. Restatement of the Audited Combined Financial Statements (Continued)

Combined Statement of Assets, Liabilities, and Capital

As of December 31, 2010

	As Previously Reported	Adjustments	As Restated
Assets			
Non-controlled/non-affiliated investments, at value	$ 268,524,228	$ 172,533,612	$ 441,057,840
Controlled investment, at value	72,195,541	(72,195,541)	—
Cash and cash equivalents	9,476,754	1,267,328	10,744,082
Deferred offering costs	3,528,110	—	3,528,110
Interest receivable	2,420,746	587,041	3,007,787
Receivable from affiliate	191,065	(191,065)	—
Deferred credit facility costs	14,804	1,865,316	1,880,120
Other assets	4,951	891	5,842
Total assets	$ 356,356,199	$ 103,867,582	$ 460,223,781
Liabilities			
Debt Funding Credit Facility	$ 59,696,938	$ —	$ 59,696,938
SLF Credit Facility	—	56,936,000	56,936,000
Payable for unsettled securities purchased	26,460,000	68,002,500	94,462,500
Payable for controlled investment	26,018,000	(26,018,000)	—
Other liabilities	3,813,764	42,807	3,856,571
Interest payable	619,566	193,626	813,192
Payable to affiliates	593,167	1,938,152	2,531,319
Total liabilities	117,201,435	101,095,085	218,296,520
Capital	239,154,764	2,772,497	241,927,261
Total liabilities and capital	$ 356,356,199	$ 103,867,582	$ 460,223,781

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

12. Restatement of the Audited Combined Financial Statements (Continued)

Combined Statement of Operations

For the year ended December 31, 2010

	As Previously Reported	Adjustments	As Restated
Investment income			
From non-controlled/non-affiliated investments:			
Interest income	$ 39,577,719	$ 907,439	$ 40,485,158
Other income	850,128	39,491	889,619
From controlled investments:			
Other income	191,065	(191,065)	—
Total investment income	40,618,912	755,865	41,374,777
Expenses			
Interest and other credit facility expenses	2,668,926	279,534	2,948,460
Other general and administrative expenses	559,882	3,844	563,726
Professional fees	302,331	25,000	327,331
Management fee, net	70,999	—	70,999
Total expenses	3,602,138	308,378	3,910,516
Net investment income	37,016,774	447,487	37,464,261
Realized gains on investments	66,276,066	11,201	66,287,267
Net change in unrealized (depreciation) appreciation of investments	(42,273,076)	2,313,809	(39,959,267)
Net increase (decrease) in capital resulting from operations	$ 61,019,764	$ 2,772,497	$ 63,792,261

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

12. Restatement of the Audited Combined Financial Statements (Continued)

Combined Statement of Changes in Capital

For the year ended December 31, 2010

	As Previously Reported	Adjustments	As Restated
Increase (Decrease) in net assets resulting from operations:			
Net investment income	$ 37,016,774	$ 447,487	$ 37,464,261
Realized gains on investments	66,276,066	11,201	66,287,267
Net change in unrealized (depreciation) appreciation of investments	(42,273,076)	2,313,809	(39,959,267)
Net increase (decrease) in net assets resulting from operations	61,019,764	2,772,497	63,792,261
Distributions	(115,940,206)	—	(115,940,206)
Contributions	54,634,523	—	54,634,523
Net (decrease) increase in net assets	(285,919)	2,772,497	2,486,578
Capital at beginning of period	239,440,683	—	239,440,683
Capital at end of period	$ 239,154,764	$ 2,772,497	$ 241,927,261

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

12. Restatement of the Audited Combined Financial Statements (Continued)

Combined Statement of Cash Flows

For the year ended December 31, 2010

	As Previously Reported	Adjustments	As Restated
Cash flows from operating activities			
Net increase (decrease) in capital resulting from operations	$ 61,019,764	$ 2,772,497	$ 63,792,261
Adjustments to reconcile net decrease in capital resulting from operations to net cash provided by (used in) operating activities:			
Purchase of investments	(233,095,778)	(99,612,500)	(332,708,278)
Proceeds from sales and paydowns of investments	258,412,237	1,627,292	260,039,529
Cash paid for sale of undrawn portion of revolving credit facility	(1,837,500)	—	(1,837,500)
Amortization of purchase discount	(16,299,004)	(27,853)	(16,326,857)
Realized gains on investments	(66,276,066)	(11,201)	(66,287,267)
Net change in unrealized depreciation (appreciation) of investments	42,273,076	(2,313,809)	39,959,267
Non-cash interest	(3,374,086)	—	(3,374,086)
Amortization of deferred credit facility costs	—	69,909	69,909
Decrease (increase) in receivable from unsettled securities sold	5,124,622	—	5,124,622
Increase in interest receivable	(1,621,984)	(587,041)	(2,209,025)
Increase in receivable from affiliate	(191,065)	191,065	—
Increase in other assets	(3,544)	(891)	(4,435)
Increase (decrease) in payable for unsettled securities purchased	14,227,735	68,002,500	82,230,235
Increase in payable for controlled investment	26,018,000	(26,018,000)	—
Increase in interest payable	146,877	193,626	340,503
(Decrease) increase in payable to affiliates	(193,426)	2,926	(190,500)
Increase in other liabilities	390,123	42,808	432,931
Net cash flows provided by (used in) operating activities	84,719,981	(55,668,672)	29,051,309
Cash flows from financing activities			
Contributions	54,634,523	—	54,634,523
Distributions	(115,940,206)	—	(115,940,206)
Repayment of Debt Funing Credit Facility	(62,898,232)	—	(62,898,232)
Proceeds from Debt Funding Credit Facility	44,850,495	—	44,850,495
Proceeds from SLF Credit Facility	—	56,936,000	56,936,000
Net cash flows (used in) provided by financing activities	(79,353,420)	56,936,000	(22,417,420)
Net increase in cash and cash equivalents	5,366,561	1,267,328	6,633,889
Cash and cash equivalents at the beginning of the period	4,110,193	—	4,110,193
Cash and cash equivalents at the end of the period	$ 9,476,754	$ 1,267,328	$ 10,744,082
Supplemental disclosure of cash flow information			
Interest paid	$ 2,130,839	$ —	$ 2,130,839
Non-cash operating activities:			
Investments contributed to SLF	$ 21,450,541	$ (21,450,541)	$ —
Non-cash financing activities:			
Accrual for deferred offering costs	3,528,110	—	3,528,110
Accrual for deferred credit facility costs	14,804	1,935,225	1,950,029

NOTES TO THE COMBINED FINANCIAL STATEMENTS — (Continued)

New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P.
As of and for the years ended December 31, 2010 and December 31, 2009 and the period October 29, 2008 (Commencement of Operations) to December 31, 2008

13. Subsequent Events

The Combined Entities have evaluated subsequent events through March 28, 2011, which is the date that these combined financial statements were available to be issued. The following subsequent event was noted.

A Second Amendment to the Loan and Security Agreements among the NMG SLF and NMGP SLF as the borrowers, Wells Fargo Securities, L.L.C. as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian was executed on March 9, 2011. These amendments increased the maximum amount of revolving borrowings available under the NMG SLF and NMGP SLF credit facilities to $140,625,000 and $9,375,000, respectively.

8,285,172 Shares

New Mountain Finance Corporation

Common Stock

PRELIMINARY PROSPECTUS

Goldman, Sachs & Co.	**Wells Fargo Securities**	**Morgan Stanley**
Stifel Nicolaus Weisel		**RBC Capital Markets**
Baird	**BB&T Capital Markets** **A division of Scott & Stringfellow, LLC**	**Janney Montgomery Scott**

Through and including , 2011 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART C
Other Information

Item 25. Financial Statements And Exhibits

(1) *Financial Statements*

The following combined financial statements of New Mountain Finance Holdings, L.L.C., formerly known as New Mountain Guardian (Leveraged), L.L.C. (the "Operating Company"), and New Mountain Guardian Partners, L.P. are included in Part A of this Registration Statement. The Operating Company will be the sole investment of New Mountain Finance Corporation (the "Registrant" or the "Company") following the completion of this offering:

INDEX TO FINANCIAL STATEMENTS

(2) *Exhibits*

(a)(1)	Certificate of Incorporation of the Registrant*
(a)(2)	Certificate of Amendment to Certificate of Incorporation of New Mountain Guardian Corporation changing its name to New Mountain Finance Corporation
(a)(3)	Form of Amended and Restated Certificate of Incorporation of the Registrant
(a)(4)	Certificate of Formation of New Mountain Guardian (Leveraged), L.L.C.
(a)(5)	Form of Certificate of Amendment to Certificate of Formation of New Mountain Guardian (Leveraged), L.L.C. changing its name to New Mountain Finance Holdings, L.L.C.
(b)(1)	Bylaws of the Registrant*
(b)(2)	Form of Amended and Restated Bylaws of the Registrant
(b)(3)	Form of Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C.
(b)(4)	Form of First Joinder Agreement with Respect to the Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C.
(b)(5)	Form of Second Joinder Agreement with Respect to the Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C.
(b)(6)	Form of Second Amended and Restated Limited Liability Company Agreement of New Mountain Finance SPV Funding, L.L.C.
(d)	Form of Common Stock Certificate
(e)	Form of Dividend Reinvestment Plan
(f)(1)	Letter Agreement relating to entry into Amended and Restated Loan and Security Agreement by and among New Mountain Finance Holdings, L.L.C., as Borrower and Collateral Administrator, each of the lenders thereto, Wells Fargo Securities, LLC, as Administrative Agent, and Wells Fargo Bank, N.A., as Collateral Custodian
(f)(2)	Form of Variable Funding Note of New Mountain Finance Holdings, L.L.C., as the Borrower
(f)(3)	Form of Amended and Restated Account Control Agreement, among New Mountain Finance Holdings, L.L.C., Wells Fargo Securities, LLC as the Administrative Agent and Wells Fargo Bank, National Association, as Securities Intermediary
(f)(4)	Loan and Security Agreement, by and among New Mountain Guardian (Leveraged), L.L.C., as Collateral Administrator, New Mountain Guardian SPV Funding, L.L.C., as Borrower, each of the lenders party thereto, Wells Fargo Securities, LLC, as Administrative Agent, and Wells Fargo Bank, N.A., as Collateral Custodian
(f)(5)	First Amendment to Loan and Security Agreement, by and among New Mountain Guardian SPV Funding, L.L.C., as Borrower, Wells Fargo Securities, LLC, as Administrative Agent, and Wells Fargo Bank, N.A., as Lender
(f)(6)	Second Amendment to Loan and Security Agreement by and among New Mountain Guardian SPV Funding, L.L.C., as Borrower, Wells Fargo Securities, LLC, as Administrative Agent, and Wells Fargo Bank, N.A., as Lender
(f)(7)	Account Control Agreement, by and between New Mountain Guardian SPV Funding, L.L.C., as Pledgor, Wells Fargo Securities, LLC, as Administrative Agent on behalf of the Secured Parties, and Wells Fargo Bank, N.A., as Securities Intermediary.
(f)(8)	Variable Funding Note of New Mountain Guardian SPV Funding, L.L.C., as the Borrower.
(g)	Form of Investment Management Agreement
(h)	Form of Underwriting Agreement
(j)	Form of Safekeeping Agreement among New Mountain Finance Holdings, L.L.C., Wells Fargo Securities, LLC as the Administrative Agent and Wells Fargo Bank, National Association, as Safekeeping Agent
(k)(1)	Form of Administration Agreement
(k)(2)	Form of Trademark License Agreement
(k)(3)	Form of Registration Rights Agreement

(k)(4)	Form of Indemnification Agreement by and between the Registrant and each executive officer and director.
(k)(5)	Form of Indemnification Agreement by and between New Mountain Finance Holdings, L.L.C. and each executive officer and director.
(k)(6)	Form of Letter Agreement relating to Lock-Up Period by and among New Mountain Finance Holdings, L.L.C. and New Mountain Finance Advisers BDC, L.L.C.
(l)	Opinion of Fried, Frank, Harris, Shriver & Jacobson LLP
(n)(1)	Consent of Fried, Frank, Harris, Shriver & Jacobson LLP (incorporated by reference to exhibit (l) hereto)
(n)(2)	Consent of Deloitte & Touche LLP
(n)(3)	Report of Deloitte & Touche LLP
(p)	Form of Subscription Agreement
(r)	Code of Ethics

* Previously filed.

Item 26. Marketing Arrangements

The information contained under the heading "Underwriting" in this Registration Statement is incorporated herein by reference.

Item 27. Other Expenses Of Issuance And Distribution

SEC registration fee	$ 14,260
NYSE listing fee	$ 125,000
FINRA filing fee	$ 20,500
Accounting fees and expenses	$ 549,350
Legal fees and expenses	$ 4,000,000
Printing and engraving	$ 485,000
Transfer agent fees	$ 3,500
Miscellaneous fees and expenses	$ 75,000
Total	$ 5,272,610

Item 28. Persons Controlled By Or Under Common Control

Prior to this offering, one share of New Mountain Finance's common stock was outstanding which is owned by New Mountain Capital, L.L.C. Following the completion of this offering, the Registrant will own approximately 36.4% of the common membership units of the Operating Company, assuming no exercise of the underwriters' option to purchase additional shares.

Item 29. Number Of Holders Of Securities

The following table sets forth the number of record holders of New Mountain Finance's common stock at May 5, 2011.

Title of Class	Number of Record Holders
Common stock, $0.01 par value	1

Item 30. Indemnification

Section 145 of the Delaware General Corporation Law empowers a Delaware corporation to indemnify its officers and directors and specific other persons to the extent and under the circumstances set forth therein.

Section 102(b)(7) of the Delaware General Corporation Law allows a Delaware corporation to eliminate the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liabilities arising (a) from any breach of the director's duty of loyalty to the corporation or its stockholders; (b) from acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) under Section 174 of the Delaware General Corporation Law; or (d) from any transaction from which the director derived an improper personal benefit.

Subject to the 1940 Act or any valid rule, regulation or order of the SEC thereunder, the Registrant's amended and restated bylaws provide that it will indemnify any person who was or is a party or is threatened to be made a party to any threatened action, suit or proceeding whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the Registrant, or is or was serving at the request of the Registrant as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, in accordance with provisions corresponding to Section 145 of the Delaware General Corporation Law. The 1940 Act provides that a company may not indemnify any director or officer against liability to it or its security holders to which he or she might otherwise be subject by reason of his or her willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office unless a determination is made by final decision of a court, by vote of a majority of a quorum of directors who are disinterested, non-party directors or by independent legal counsel that the liability for which indemnification is sought did not arise out of the foregoing conduct. In addition, the Registrant's amended and restated bylaws will provide that the indemnification described therein is not exclusive and shall not exclude any other rights to which the person seeking to be indemnified may be entitled under statute, any bylaw, agreement, vote of stockholders or directors who are not interested persons, or otherwise, both as to action in his official capacity and to his action in another capacity while holding such office.

The above discussion of Section 145 of the Delaware General Corporation Law and the Registrant's amended and restated bylaws is not intended to be exhaustive and is respectively qualified in its entirety by such statute and the Registrant's amended and restated bylaws.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is again public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

As of the date of the completion of this offering, the Registrant will have obtained primary and excess insurance policies insuring our directors and officers against some liabilities they may incur in their capacity as directors and officers. Under such policies, the insurer, on the Registrant's

behalf, may also pay amounts for which the Registrant has granted indemnification to the directors or officers.

The Investment Management Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of the reckless disregard of its duties and obligations, New Mountain Finance Advisers BDC, L.L.C., or the Investment Adviser, and its officers, managers, agents, employees, controlling persons, members (or their owners) and any other person or entity affiliated with it are entitled to indemnification from the Operating Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of the Investment Adviser's services under the Investment Management Agreement or otherwise as an investment adviser of the Operating Company.

The Administration Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, New Mountain Finance Administration, L.L.C. and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from the Registrant and the Operating Company for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of services under the Administration Agreement or otherwise as administrator for the Registrant and the Operating Company.

Pursuant to the underwriting agreement for this offering, the Registrant has agreed to indemnify the several underwriters against specific liabilities, including liabilities under the Securities Act.

Item 31. Business And Other Connections Of Investment Adviser

A description of any other business, profession, vocation, or employment of a substantial nature in which the Investment Adviser, and each director or executive officer of the Investment Adviser, is or has been during the past two fiscal years, engaged in for his or her own account or in the capacity of director, officer, employee, partner or trustee, is set forth in Part A of this Registration Statement in the sections entitled "Management — Biographical Information — Directors", "Portfolio Management — Investment Personnel", "Management — Biographical Information — Executive Officers Who Are Not Directors" and "Investment Management Agreement". Additional information regarding the Investment Adviser and its officers and directors is set forth in its Form ADV, as filed with the Securities and Exchange Commission (SEC File No. 801-71948), and is incorporated herein by reference.

Item 32. Location Of Accounts And Records

All accounts, books and other documents required to be maintained by Section 31(a) of the Investment Company Act of 1940, and the rules thereunder are maintained at the offices of:

(1) the Registrant, New Mountain Finance Corporation, 787 7th Avenue, 48th Floor, New York, NY 10019;

(2) the Transfer Agent;

(3) the Safekeeping Agent;

(4) the Investment Adviser, New Mountain Finance Advisers BDC, L.L.C., 787 7th Avenue, 48th Floor, New York, NY 10019; and

(5) the Administrator, New Mountain Finance Administration, L.L.C., 787 7th Avenue, 48th Floor, New York, NY 10019.

Item 33. Management Services

Not Applicable.

Item 34. Undertakings

1. The Registrant undertakes to suspend the offering of shares until the prospectus is amended if (1) subsequent to the effective date of this registration statement, the net asset value declines more than ten percent from the net asset value as of the effective date of this registration statement, or (2) the net asset value increases to an amount greater than the net proceeds as stated in the prospectus.

2. The Registrant hereby undertakes that:

(a) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant under Rule 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and

(b) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused Amendment No. 3 to this Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on May 9, 2011.

NEW MOUNTAIN FINANCE CORPORATION

By: /s/ ROBERT A. HAMWEE

Name: Robert A. Hamwee
Title: *Chief Executive Officer*
(Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, Amendment No. 3 to this Registration Statement on Form N-2 has been signed by the following persons in the capacities set forth below on the date indicated.

Name	Title	Date
/s/ ROBERT A. HAMWEE Robert A. Hamwee	Chief Executive Officer (Principal Executive Officer) and Director	May 9, 2011
/s/ ADAM WEINSTEIN Adam Weinstein	Chief Financial Officer (Principal Financial and Accounting Officer) and Treasurer	May 9, 2011
* Steven B. Klinsky	Chairman of the Board of Directors	May 9, 2011
* Alfred F. Hurley Jr.	Director	May 9, 2011
* David Ogens	Director	May 9, 2011
* Kurt J. Wolfgruber	Director	May 9, 2011
*By: /s/ ROBERT A. HAMWEE Robert A. Hamwee	Attorney-in-Fact	May 9, 2011

Table of Contents

SIGNATURES

New Mountain Guardian (Leveraged), L.L.C. has duly caused Amendment No. 3 to this Registration Statement on Form N-2 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on May 9, 2011.

NEW MOUNTAIN GUARDIAN (LEVERAGED), L.L.C.

By: /s/ ROBERT A. HAMWEE

Name: Robert A. Hamwee
Title: *Chief Executive Officer*
(Principal Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, Amendment No. 3 to this Registration Statement on Form N-2 has been signed by the following persons in the capacities set forth below on the date indicated.

Name	Title	Date
/s/ ROBERT A. HAMWEE Robert A. Hamwee	Chief Executive Officer (Principal Executive Officer) and Director	May 9, 2011
/s/ ADAM WEINSTEIN Adam Weinstein	Chief Financial Officer (Principal Financial and Accounting Officer) and Treasurer	May 9, 2011
* Steven B. Klinsky	Chairman of the Board of Directors	May 9, 2011
* Alfred F. Hurley Jr.	Director	May 9, 2011
* David Ogens	Director	May 9, 2011
* Kurt J. Wolfgruber	Director	May 9, 2011
*By: /s/ ROBERT A. HAMWEE Robert A. Hamwee	Attorney-in-Fact	May 9, 2011

Exhibit (a)(2)

Delaware

The First State

I, *JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "NEW MOUNTAIN GUARDIAN CORPORATION", CHANGING ITS NAME FROM "NEW MOUNTAIN GUARDIAN CORPORATION" TO "NEW MOUNTAIN FINANCE CORPORATION", FILED IN THIS OFFICE ON THE TWENTY-FIFTH DAY OF FEBRUARY, A.D. 2011, AT 12:56 O'CLOCK P.M.*

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

/s/ Jeffrey W Bullock
Jeffrey W Bullock, Secretary of State

4842391 8100

AUTHENTICATION: 8584663

110220011

DATE: 02-25-11

You may verify this certificate online at corp.delaware.gov/authver. shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:57 PM 02/25/2011
FILED 12:56 PM 02/25/2011
SRV 110220011 - 4842391 FILE

CERTIFICATE OF AMENDMENT OF

THE CERTIFICATE OF INCORPORATION OF

NEW MOUNTAIN GUARDIAN CORPORATION

Pursuant to Section 242 of the General Corporation Law of the State of Delaware

The undersigned Secretary of New Mountain Guardian Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. ARTICLE FIRST of the Certificate of Incorporation of the Corporation is amended to read in its entirety as follows:

"FIRST. The name of the Corporation is New Mountain Finance Corporation."

2. This Certificate of Amendment has been duly authorized and adopted in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment of the Certificate of Incorporation to be executed and acknowledged by its duly authorized officer this 25th day of February, 2011.

NEW MOUNTAIN GUARDIAN CORPORATION

By: /s/ Paula Bosco
Name: Paula Bosco
Title: Secretary and Chief Compliance Officer

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
NEW MOUNTAIN FINANCE CORPORATION

New Mountain Finance Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Company"), hereby certifies as follows:

(a) The name of the Company is New Mountain Finance Corporation. The Company filed its original Certificate of Incorporation with the Secretary of State of the State of Delaware pursuant to Section 103 of the Delaware General Corporation Law, as amended, (the "DGCL") on June 29, 2010.

(b) This Amended and Restated Certificate of Incorporation, which amends and restates the original Certificate of Incorporation in its entirety, was duly adopted in accordance with Sections 242 and 245 of the DGCL.

(c) The Amended and Restated Certificate of Incorporation of the Company shall read in its entirety:

ARTICLE I
NAME

The name of the Company is New Mountain Finance Corporation.

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the Company's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808. The name of its registered agent at such address is Corporation Service Company.

ARTICLE III
PURPOSE

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the DGCL as now or hereafter in force, including without limitation or obligation, engaging in business as a business development company under the Investment Company Act, as amended, and the rules and regulations promulgated thereunder.

ARTICLE IV
CAPITAL STOCK

Section 4.1 AUTHORIZED SHARES. The total number of shares of all classes of capital stock which the Company shall have authority to issue is 102,000,000 shares, of which:

(a) 100,000,000 shares, par value $0.01 per share, shall be shares of common stock (the "Common Stock"); and

(b) 2,000,000 shares, par value $0.01 per share, shall be shares of preferred stock (the "Preferred Stock").

The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Company entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor, unless a vote of any such holders as a class or series is required pursuant to the terms of any series of Preferred Stock.

Section 4.2 COMMON STOCK.

(a) VOTING RIGHTS. At every annual or special meeting of stockholders of the Company, each holder of Common Stock shall be entitled to cast one (1) vote for each share of Common Stock standing in such holder's name on the stock records of the Company on each matter properly submitted to stockholders of the Corporation for their approval; provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including, without limitation, to vote on any amendment to any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including, without limitation, any certificate of designation relating to any series of Preferred Stock).

(b) RESERVATION OF SHARES ISSUABLE UPON EXCHANGE OF COMMON MEMBERSHIP UNITS The Company will at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of issuance upon any acquisition of Common Membership Units in accordance with Article IX of the LLC Agreement, such number of shares of Common Stock that shall be issuable upon the exchange of all outstanding Common Membership Units exchangeable in accordance with the LLC Agreement; provided that nothing contained herein shall preclude the Company from acquiring Common Membership Units in accordance with Article IX of the LLC Agreement by delivery of shares of Common Stock that are held in the treasury of the Company.

Section 4.3 PREFERRED STOCK. Subject to the rights of the holders of any series of Preferred Stock then outstanding, the Board of Directors is authorized, subject to limitations prescribed by law, to provide by resolution or resolutions for the issuance of shares of Preferred Stock in one or more series, and by filing a certificate pursuant to the applicable laws of the State of Delaware to establish from time to time the number of shares to be included in each such series, and to fix the voting powers (if any), designation, powers, preferences, and relative, participating, optional or other rights, if any, of the shares of each such series, and any qualifications, limitations or restrictions thereof.

ARTICLE V
BOARD OF DIRECTORS

Section 5.1 MANAGEMENT. The business and affairs of the Company shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Company and do all such lawful acts and things as are not by statute or this Amended and Restated Certificate of Incorporation directed or required to be exercised or done solely by the stockholders.

Section 5.2 NUMBER OF DIRECTORS AND MANNER OF ACTING. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the number of directors of the Company shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board; provided, however, that the number of directors shall not be less than three (3) nor more than fifteen (15). The term "Whole Board" at any time shall mean the total number of authorized directors fixed at the time whether or not there exist any vacancies in previously-authorized directorships. A majority of the Whole Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and, except as otherwise expressly required by law or by this Amended and Restated Certificate of Incorporation, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

Section 5.3 CLASSIFICATION OF DIRECTORS. As of the IPO Date, the directors, other than those who may be elected by the holders of any series of Preferred Stock under specified conditions, shall be divided into three classes and designated Class I, Class II and Class III. The Board of Directors may assign members of the Board of Directors already in office immediately prior to the IPO Date to such classes. The initial term of the Class I directors shall expire at the first annual meeting of stockholders to be held after the IPO Date, the initial term of the Class II directors shall expire at the second annual meeting of stockholders to be held after the IPO Date, and the initial term of the Class III directors shall expire at the third annual meeting of stockholders to be held after the IPO Date. Members of each class shall hold office until their successors are duly elected and qualified or until such director's earlier death, resignation or removal. At each annual meeting of the stockholders of the Company following the IPO Date, the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the third succeeding annual meeting of stockholders after their election. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 5.4 NEWLY-CREATED DIRECTORSHIPS AND VACANCIES. Subject to the applicable requirements of the Investment Company Act, including Section 16(b) thereunder, and subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, disqualification, removal from office or any other cause shall, unless otherwise required by law or provided by resolution of the Board of Directors, be filled only by majority vote of the directors then in office, even if less than a quorum is then in office, or by the sole remaining director, and shall not be filled by stockholders. Directors so chosen to fill a newly created directorship or other vacancies shall

serve for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been chosen expires and shall hold office until such director's successor has been duly elected and qualified or until his or her earlier death, resignation or removal as provided in this Amended and Restated Certificate of Incorporation.

Section 5.5 REMOVAL OF DIRECTORS. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director or the entire Board of Directors may be removed from office at any time, at a meeting called for that purpose, but only for cause and only by the affirmative vote of the holders of at least seventy-five percent of the voting power of the issued and outstanding shares of capital stock of the Company entitled to vote thereon, voting together as a single class.

Section 5.6 WRITTEN BALLOT NOT REQUIRED. Elections of directors need not be by written ballot unless the bylaws of the Company shall otherwise provide.

Section 5.7 BYLAWS. The Board of Directors is expressly authorized to adopt, amend or repeal the bylaws of the Company. Any adoption, amendment or repeal of the bylaws of the Company by the Board of Directors shall require the approval of a majority of the Whole Board. The stockholders shall also have power to adopt, amend or repeal the bylaws of the Company; provided, however, that, in addition to any vote of the holders of any class or classes or series or series of stock of the Company required by law, by this Amended and Restated Certificate of Incorporation or by the bylaws, the affirmative vote of the holders of at least two-thirds of the voting power of the issued and outstanding shares of capital stock of the Company entitled to vote thereon, voting together as a single class, shall be required to adopt, amend or repeal any provision of the bylaws of the Company.

ARTICLE VI
LIMITATION OF LIABILITY

A director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that the foregoing shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is hereafter amended to permit further elimination or limitation of the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended. Any repeal or modification of this Article VI shall not adversely affect any right or protection of a director of the Company existing at the time of such repeal or modification. The provisions of this Article VI shall not be deemed exclusive or in limitation of any other rights to which directors, officers, or others may be entitled under any bylaws, agreement, vote of stockholders or disinterested directors, or otherwise. Notwithstanding the foregoing or Article V of the Bylaws of the Company, for so long as the Company is registered as an investment company or regulated as a business development company under the Investment Company Act, neither this Amended and Restated Certificate of Incorporation nor the Amended and Restated Bylaws of the Company shall limit the liability of, or permit the indemnification of, any director or officer of

the Company for actions or matters for which such limitation or indemnification would be prohibited by the Investment Company Act or by any valid rule, regulation or order of the Securities and Exchange Commission thereunder.

ARTICLE VII
AMENDMENT

The Company reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or the bylaws of the Company, and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Amended and Restated Certificate of Incorporation, the bylaws of the Company or otherwise, but in addition to any affirmative vote of the holders of any particular class or classes or series or series of the capital stock required by law, this Amended and Restated Certificate of Incorporation, the bylaws of the Company or otherwise, the affirmative vote of the holders of at least two-thirds of the voting power of the issued and outstanding shares of capital stock of the Company entitled to vote thereon, voting together as a single class, shall be required to adopt any provision inconsistent with, or to amend or repeal any provision of, Articles V, VI, VII, VIII, IX or XI of this Amended and Restated Certificate of Incorporation.

ARTICLE VIII

MEETINGS AND ACTION BY WRITTEN CONSENT

An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, on such date, and at such time as the Board of Directors shall fix.

Special meetings of stockholders may be called for any purpose only by (i) the affirmative vote of a majority of the Whole Board, (ii) its Chairperson, (iii) the Chief Executive Officer, or (iv) upon the request of the holders of at least fifty (50) percent of the voting power of all shares of capital stock of the Company entitled generally to vote on the election of directors then outstanding, subject to the requirements of the Investment Company Act and the requirements set forth in the bylaws.

Subject to the rights of the holders of any series of Preferred Stock, any action required or permitted to be taken at any annual or special meeting of stockholders of the Company may be effected only upon the vote of the stockholders at an annual or special meeting duly called and may not be effected by written consent of the stockholders.

Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the bylaws of the Company.

ARTICLE IX
SECTION 203 OF THE DGCL

The Company shall not be governed by Section 203 of the DGCL.

ARTICLE X
SEVERABILITY

If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Company to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Company to the fullest extent permitted by law.

ARTICLE XI
DEFINITIONS

For purposes of this Amended and Restated Certificate of Incorporation, the following terms shall have the meaning set forth below.

"Common Membership Unit" means a common membership unit of the LLC.

"Investment Company Act" means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"IPO Date" means the closing date of the initial public offering of the Company's Common Stock.

"LLC" means New Mountain Finance Holdings, L.L.C., a Delaware limited liability company, or its successor.

"LLC Agreement" means the Amended and Restated Limited Liability Company Agreement of the LLC, as it may be amended, supplemented, or otherwise modified from time to time, and a copy of which will be available to any stockholder upon written request to the Company.

"Person" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, any United States federal, state or local or any foreign government, supranational, governmental, regulatory or

administrative authority, instrumentality, agency or commission, political subdivision, self-regulatory organization or any court, tribunal or judicial or arbitral body or other governmental authority, or other entity or organization of any nature whatsoever.

ARTICLE XII
FORUM

Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the provisions of this Article XII.

IN WITNESS WHEREOF, the undersigned has signed this Amended and Restated Certificate of Incorporation this day of , 2011.

New Mountain Finance Corporation

By: _____

Name:
Title:

Exhibit (a)(4)

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "NEW MOUNTAIN GUARDIAN (LEVERAGED) , L.L.C.", FILED IN THIS OFFICE ON THE TWENTY—NINTH DAY OF OCTOBER, A.D. 2008, AT 5 : 46 O'CLOCK P.M.

/s/ Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

4617533 8100

AUTHENTICATION: 6940087

081077541

DATE: 10-29-08

You may verify this certificate online at corp.delaware.gov/authver.shtml

1

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:46 PM 10/29/2008
FILED 05:46 PM 10/29/2008
SRV 081077541 - 4617533 FILE

CERTIFICATE OF FORMATION

OF

NEW MOUNTAIN GUARDIAN (LEVERAGED), L.L.C.

Dated as of October 29, 2008

This Certificate of Formation for New Mountain Guardian (Leveraged), L.L.C. is being duly executed and filed by the undersigned, as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. §§18-101, *et seq.)*.

1. The name of the limited liability company formed hereby is New Mountain Guardian (Leveraged), L.L.C. (the "Company").

2. The address of the registered office of the Company in the State of Delaware is c/o RL&F Service Corp., One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801. The name and address of the registered agent of the Company is RL&F Service Corp., One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of New Mountain Guardian (Leveraged), L.L.C. as of the date first above written.

MANAGING MEMBER:

NEW MOUNTAIN GUARDIAN AIV, L.P.

By: New Mountain Investments III, L.L.C., its General Partner

By: /s/ Steven B. Klinsky
Steven B. Klinsky
Managing Member

Exhibit (a)(5)

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: New Mountain Guardian (Leveraged), L.L.C.

2. The Certificate of Formation of the limited liability company is hereby amended as follows:

The name of the Limited Liability Company shall be changed from "New Mountain Guardian (Leveraged), L.L.C." to "New Mountain Finance Holdings, L.L.C."

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the day of , A.D. 2011.

By: _____
Authorized Person(s)

Name: _____
Print or Type

AMENDED AND RESTATED BYLAWS
OF
NEW MOUNTAIN FINANCE CORPORATION

ARTICLE I

Offices

SECTION 1. Registered Office. The registered office and/or registered agent of the Company may be changed from time to time by action of the Board of Directors.

SECTION 2. Other Offices. The Company may have an office or offices other than said registered office at such place or places, either within or without the State of Delaware, as the Board of Directors shall from time to time determine or the business of the Company may require.

ARTICLE II

Meetings of Stockholders

SECTION 1. Place of Meetings. All meetings of the stockholders for the election of directors or for any other purpose shall be held at any such place, either within or without the State of Delaware, or by means of remote communications, as shall be designated from time to time by the Board of Directors and stated in the notice of meeting.

SECTION 2. Annual Meeting. An annual meeting of stockholders shall be held each year. The date, time and place, if any, or means of remote communications, if any, of such meeting shall be determined by the Board of Directors of the Company. At such annual meeting the stockholders shall elect, subject to Article II, Section 9(b) of these Bylaws, members of the Board of Directors to succeed those whose terms expire and transact such other business as may properly be brought before the meeting.

SECTION 3. Special Meetings. (a) Special meetings of stockholders may be called for any purpose only by (i) the affirmative vote of a majority of the Whole Board (as defined herein), (ii) its Chairperson, (iii) the Chief Executive Officer, or (iv) by the Corporate Secretary, following his or her receipt of one or more written requests to call a special meeting of the stockholders in accordance with, and subject to, this Section 3 from stockholders of record who hold, in the aggregate, at least fifty (50) percent of the voting power (the "Required Percentage") of all shares of capital stock of the Company entitled generally to vote on the election of directors then outstanding who have delivered such request in accordance with these bylaws, subject to the requirements of the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Company Act").

(b) A stockholder may not submit a written request to call a special meeting unless such stockholder is a holder of record of voting stock on the record date fixed to determine the stockholders entitled to request the call of a special meeting. Any stockholder seeking to call a special meeting to transact business shall, by written notice to the Secretary, request that the

Board of Directors fix a record date. A written request to fix a record date shall include all of the information that must be included in a written request to call a special meeting from a stockholder who is not a Solicited Stockholder, as set forth in the succeeding paragraph (c) of this Section 3. The Board of Directors may, within 10 days of the Secretary's receipt of a request to fix a record date, fix a record date to determine the stockholders entitled to request the call of a special meeting, which date shall not precede, and shall not be more than 10 days after, the date upon which the resolution fixing the record date is adopted. If a record date is not fixed by the Board of Directors, the record date shall be the date that the first written request to call a special meeting is received by the Secretary with respect to the proposed business to be conducted at a special meeting.

(c) Each written request for a special meeting shall include the following: (i) the signature of the stockholder of record signing such request and the date such request was signed, (ii) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, and (iii) for each written request submitted by a person or entity other than a Solicited Stockholder, as to the stockholder signing such request and the beneficial owner (if any) on whose behalf such request is made (each, a "party"): (1) the name and address of such party; (2) the class, series and number of shares of the Corporation that are owned beneficially and of record by such party (which information set forth in this clause shall be supplemented by such party not later than 10 days after the record date for determining the stockholders entitled to notice of the special meeting to disclose such ownership as of such record date); (3) any Derivative Instrument (as defined herein) directly or indirectly owned beneficially by each such party, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Company; (4) any other information relating to each such party that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the proposal in a contested election pursuant to Section 14 of the Exchange Act (as defined herein); (5) any material interest of such party in one or more of the items of business proposed to be transacted at the special meeting; and (6) a representation that the stockholder signing the request will be a record holder on the date of the special meeting and a representation whether or not any such party or any group of which such party is or will be a member will deliver a proxy statement and form of proxy to holders of at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to carry the proposal (such representations, a "Special Meeting Solicitation Statement"). For purposes of this bylaw, "Solicited Stockholder" means any stockholder that has provided a request in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A.

(d) A stockholder may revoke a request to call a special meeting by written revocation delivered to the Secretary at any time prior to the special meeting*provided, however*, that if any such revocation(s) are received by the Secretary after the Secretary's receipt of written requests from the holders of the Required Percentage of voting stock, and as a result of such revocation(s), there no longer are unrevoked requests from the Required Percentage of voting stock to call a special meeting, the Board of Directors shall have the discretion to determine whether or not to proceed with the special meeting. A business proposal shall not be presented for stockholder action at any special meeting if (i) any stockholder or beneficial owner who has

provided a Special Meeting Solicitation Statement with respect to such proposal does not act in accordance with the representations set forth therein or (ii) the business proposal appeared in a written request submitted by a stockholder who did not provide the information required by the preceding clause (c)(2) of this bylaw in accordance with such clause.

(e) The Secretary shall not accept, and shall consider ineffective, a written request from a stockholder to call a special meeting (i) that does not comply with the preceding provisions of this bylaw, (ii) that relates to an item of business that is not a proper subject for stockholder action under applicable law, (iii) if such request is delivered between the time beginning on the 61st day after the earliest date of signature on a written request that has been delivered to the Secretary relating to an identical or

substantially similar item (such item, a "Similar Item") and ending on the one-year anniversary of such earliest date, (iv) if a Similar Item will be submitted for stockholder approval at any stockholder meeting to be held on or before the 90th day after the Secretary receives such written request, or (v) if a Similar Item has been presented at the most recent annual meeting or at any special meeting held within one year prior to receipt by the Secretary of such request to call a special meeting.

(f) Either the chairman of the meeting or the Board of Directors shall determine in good faith whether all other requirements set forth in this bylaw have been satisfied. Any determination made pursuant to this paragraph shall be binding on the Corporation and its stockholders.

(g) The Board of Directors shall determine the place, and fix the date and time, of any special meeting called at the request of one or more stockholders, and, with respect to all other special meetings, the date and time of a special meeting shall be determined by the person or body calling the meeting. The Board of Directors may submit its own proposal or proposals for consideration at any special meeting. The record date or record dates for a special meeting shall be fixed in accordance with Section 213 (or its successor provision) of the DGCL (as defined herein). Business transacted at any special meeting shall be limited to the purposes stated in the notice of such meeting.

SECTION 4. Notice of Meetings. Except as otherwise provided herein or expressly required by statute, notice of each annual and special meeting of stockholders stating the date, place, if any, and hour of the meeting, means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote thereat not less than ten (10) nor more than sixty (60) days before the date of the meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Company. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in, and to the extent permitted by, Section 232 of the Delaware General Corporation Law (the "DGCL"). When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communications, if any, by

which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; *provided, however*, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and, except as otherwise required by law, shall not be more than 60 nor less than 10 days before the date of such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

SECTION 5. List of Stockholders. The officer who has charge of the stock ledger of the Company shall prepare and make, at least ten (10) days before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, *provided, however*, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the 10th day before the meeting date, arranged in alphabetical order and showing the address of each such stockholder and the number of shares registered in his or her name. Such list shall be open to the examination of any stockholder for a period of at least 10 days prior to the meeting in the manner provided by law. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Company. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. This list shall presumptively determine the identity of the stockholders entitled to examine such stock list and to vote at the meeting and the number of shares held by each of them.

SECTION 6. Quorum; Adjournments. The holders of a majority of the voting power of the issued and outstanding stock of the Company entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders, except as otherwise required by express provision of law (including the rules and regulations of administrative agencies or a national securities exchange upon which the Company is listed), or by the Amended and Restated Certificate of Incorporation of the Company, as amended from time to time (the "Certificate of Incorporation"). Where a separate vote by a class or classes or series or series is required, a majority of the voting power of the shares of such class or classes or series or series entitled to vote, present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter. If, however, such quorum shall not be present or represented by proxy at any meeting of stockholders, the chairperson of the meeting or the stockholders entitled to vote, present in

person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented by proxy.

SECTION 7. Organization. At each meeting of stockholders, the Chairperson of the Board of Directors, if one shall have been elected, or, in his or her absence or if one shall not have been elected, such person as the Board of Directors may have designated or, in his or her absence, the Chief Executive Officer, or in his or her absence, such person as may be chosen by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of capital stock entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairperson of the meeting. The Corporate Secretary or, in his or her absence or inability to act, the person whom the chairperson of the meeting shall appoint secretary of the meeting shall act as secretary of the meeting and keep the minutes thereof.

SECTION 8. Order of Business. The order of business at all meetings of the stockholders shall be as determined by the chairperson of the meeting. The chairperson of the meeting shall have the power to adjourn the meeting to another place, if any, date and time. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

SECTION 9. (a) Voting. Each stockholder entitled to vote at any meeting of stockholders may authorize another person or persons to act for him, her, or it by a proxy which is in writing or transmitted as permitted by law, including, without limitation, electronically, via telegram, internet, interactive voice response system, or other means of reliable electronic transmission executed or authorized by such stockholder or his or her attorney-in-fact, but no proxy shall be voted after (3) three years from its date, unless the proxy provides for a longer period. Any such proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for so delivering such proxies. Any proxy transmitted electronically shall set forth information from which it can be determined by the secretary of the meeting that such electronic transmission was authorized by the stockholder. When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the voting power of the issued and outstanding stock of the Company present in person or represented by proxy and entitled to vote thereon shall decide any question brought before such meeting, unless the question is one upon which by express provision of law (including the Investment Company Act or any other statute and rules and regulations of administrative agencies or a national securities exchange upon which the Company is listed), or of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by a class or classes or series or series is required, the affirmative vote of the majority of voting power of such class or classes or series or series present in person or represented by proxy at the meeting and entitled to vote thereon shall be the act of such class or classes or series or series, unless the question is one upon which by express provision of law (including the Investment Company Act or any other statute and rules and regulations of administrative agencies or a national securities exchange upon which the Company is listed) or of the Certificate of Incorporation or of these

Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of

such question. Unless required by statute, or determined by the chairperson of the meeting to be advisable, the vote on any question need not be by ballot.

(b) A nominee for director shall be elected to the Board of Directors at a meeting if the votes cast for such nominee's election exceed the votes cast against such nominee's election; *provided, however,* that directors shall be elected by a plurality of the votes cast for nominees who are validly nominated and qualified at any meeting of stockholders for which (i) the Corporate Secretary of the Company receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for director set forth in Article II, Section 11 of the Bylaws and (ii) such nomination has not been withdrawn by such stockholder on or prior to the tenth day before the Company first mails its notice of meeting for such meeting to the stockholders. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee.

SECTION 10. Inspectors. The Board of Directors may, and to the extent required by law, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. The Board of Directors may designate one or more alternate inspectors to replace any inspector who fails to act. If any of the inspectors so appointed or any alternate shall fail to appear or act, the chairperson of the meeting shall, or if inspectors shall not have been appointed, the chairperson of the meeting may, appoint one or more inspectors. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors shall determine the number of shares of capital stock of the Company outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, except as otherwise provided herein, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote. On request of the chairperson of the meeting, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as an inspector of an election of directors. Inspectors need not be stockholders.

SECTION 11. Advance Notice Provisions for Election of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as provided under Section 3 of this Article II, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of record of the Company (the "Record Stockholder") (i) who is a Record Stockholder on the date of the giving of the notice provided for in this Section 11 and on the record date for the determination of stockholders entitled to vote at such meeting, (ii) who is entitled to vote at such meeting, and (iii) who complies with the notice procedures set forth in this Section 11. For the avoidance of doubt, clause (b) above shall be the exclusive means for a stockholder to make nominations before an annual meeting or a special meeting of stockholders.

In addition to any other applicable requirements, for a nomination to be made by a Record Stockholder (i) such Record Stockholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Company (ii) and the Record Stockholder and the beneficial owner, if any, on whose behalf any such nomination is made, must have acted in accordance with the representations set forth in the Nomination Solicitation Statement required by these Bylaws.

To be timely, a Record Stockholder's notice to the Corporate Secretary must be received at the principal executive offices of the Company (a) in the case of an annual meeting, not more than one hundred twenty (120) days, nor less than ninety (90) days, prior to the date of the anniversary of the previous year's annual meeting *provided, however*, that, subject to the last sentence of this paragraph, in the event the annual meeting is convened on a date more than thirty (30) days prior to or delayed by more than sixty (60) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the Record Stockholder in order to be timely must be so received not earlier than the close of business one hundred twenty (120) days, nor later than the later of the close of business ninety (90) days prior to such annual meeting or the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not earlier than the close of business on the one hundred twentieth (120th) day, nor later than the close of business on the later of the ninetieth (90th) day prior to such special meeting, or the tenth (10th) following the day on which public disclosure is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. Notwithstanding anything in the preceding sentence to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public disclosure naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Company at least ten (10) days before the last day a Record Stockholder may deliver a notice of nomination in accordance with the preceding sentence, a Record Stockholder's notice required by this Bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Corporate Secretary at the principal executive offices of the Company not later than the close of business on the tenth (10th) day following the day on which such public disclosure is first made by the Company. In no event shall an adjournment or postponement of an annual or special meeting for which notice had been given commence a new time period for the giving of a Record Stockholder's notice.

To be in proper written form, a Record Stockholder's notice to the Corporate Secretary must set forth (a) as to each person whom the Record Stockholder proposes to nominate for election or reelection as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) whether such Record Stockholder believes any such person is, or is not, an "interested person" of the Company, as defined in the Investment Company Act and information regarding such individual that is sufficient, in the discretion of the Board of Directors or any committee thereof or any authorized officer of the Company, to make such determination, (iv)(A) the class or classes or series or series and number of shares of capital stock of the Company which are owned beneficially or of record by such person, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a

price related to any class or series of shares of the Company or with a value derived in whole or in part from the value of any class or series of shares of the Company, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Company or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by each such person, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Company, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which such person has a right to vote any shares of any security of the Company, (D) any short interest in any security of the Company held by each such person (for purposes of this Section, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Company owned beneficially by such person that are separated or separable from the underlying shares of the Company, (F) any proportionate interest in shares of the Company or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such person is entitled to based on any increase or decrease in the value of shares of the Company or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such person's immediate family sharing the same household (which information set forth in this paragraph shall be supplemented by such person, as the case may be, not later than ten (10) days after the record date for determining stockholders entitled to vote at the meeting to disclose such ownership as of the record date; provided, that if such date is after the date of the meeting, not later

than the day prior to the meeting), (v) such person's written consent to serve as a director if elected, (vi) a statement whether such person, if elected, intends to tender, promptly following such person's election or re-election, an irrevocable resignation effective upon such person's failure to receive the required vote for re-election at the next meeting at which such person would face re-election and upon acceptance of such resignation by the Board of Directors in accordance with the Board of Directors' policy and (vii) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder (such act and the rules and regulations promulgated thereunder, the "Exchange Act"), (b) as to the Record Stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made (each, a "party") (i) the name and record address of such Record Stockholder and the name and address of any other party, if any, (ii) (A) the class or classes or series or series and number of shares of capital stock of the Company which are owned beneficially or of record by such party, (B) any Derivative Instrument directly or indirectly owned beneficially by each such party, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Company, (C) any proxy, contract, arrangement, understanding, or relationship pursuant to which either party has a right to vote any shares of any security of the Company, (D) any short interest in any security of the Company held by each such party (for purposes of this Section, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit

derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Company owned beneficially by each such party that are separated or separable from the underlying shares of the Company, (F) any proportionate interest in shares of the Company or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which either party is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that each such party is entitled to based on any increase or decrease in the value of shares of the Company or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of each such party's immediate family sharing the same household (which information set forth in this paragraph shall be supplemented by such stockholder or such beneficial owner, as the case may be, not later than ten (10) days after the record date for determining stockholders entitled to vote at the meeting to disclose such ownership as of the record date; provided, that if such date is after the date of the meeting, not later than the day prior to the meeting), (iii) a description of all arrangements or understandings between any and each party and any and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such Record Stockholder, (iv) a representation that such Record Stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice, (v) any other information relating to such party that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and (vi) a statement whether or not each such party will deliver a proxy statement and form of proxy to holders of at least the percentage of voting power of all of the shares of capital stock of the Company reasonably believed by the Record Stockholder or beneficial holder, as the case may be, to be sufficient to elect the nominee or nominees proposed to be nominated by the Record Stockholder (such statement, a "Nomination Solicitation Statement").

No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in this Section 11; provided that nothing in this Section 11 shall be deemed to prohibit any stockholder from exercising any rights of stockholders pursuant to Rule 14a-11 under the Exchange Act. The chairperson of the meeting shall have the power and the duty to determine whether a nomination has been made in accordance with the procedures set forth in this Section 11 and, if the chairperson of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairperson shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

For purposes of this Section 11 and Section 12 of these Bylaws, "public disclosure" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act or pursuant to the Investment Company Act.

Notwithstanding the foregoing provisions of this Section 11, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 11.

SECTION 12. Advance Notice Provisions for Business to be Transacted at Annual Meeting No business may be transacted at an annual meeting of stockholders, other than business that is (a) included in the Company's proxy materials with respect to such meeting, (b) properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) properly brought before the annual meeting by any Record Stockholder (i) who is a Record Stockholder on the date of the giving of the notice provided for in this Section 12 and on the record date for the determination of stockholders entitled to vote at such annual meeting, (ii) who is entitled to vote at such meeting, and (iii) who complies with the notice procedures set forth in this Section 12. For the avoidance of doubt, clause (c) shall be the exclusive means for a stockholder to propose business to be transacted (other than business included in the Company's proxy materials pursuant to Rule 14a-8 under the Exchange Act) before an annual meeting of stockholders.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a Record Stockholder, (i) such Record Stockholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Company, (ii) any such business must be a proper matter for stockholder action under Delaware law, and (iii) the Record Stockholder and the beneficial owner, if any, on whose behalf any such proposal is made, must have acted in accordance with the representations set forth in the Business Solicitation Statement required by these Bylaws.

To be timely, a Record Stockholder's notice to the Corporate Secretary must be received at the principal executive offices of the Company not more than one hundred twenty (120) days, nor less than ninety (90) days, prior to the date of the anniversary of the previous year's annual meeting; *provided, however*, that, subject to the last sentence of this paragraph, in the event the annual meeting is convened on a date more than thirty (30) days prior to or delayed by more than sixty (60) days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the Record Stockholder in order to be timely must be so received not earlier than the close of business one hundred twenty (120) days prior to, nor later than the later of the close of business ninety (90) days prior to such annual meeting or the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made. In no event shall an adjournment or postponement of an annual meeting commence a new time period for the giving of a Record Stockholder's notice.

To be in proper written form, a Record Stockholder's notice to the Corporate Secretary must set forth as to each matter such Record Stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting, and any material interest in such business of such Record Stockholder and the beneficial owner, if any, on whose behalf the proposal is made, (b) as to the Record Stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (each, a "party"), (i) the name and record address of such stockholder, (ii) (A) the class or classes or series or series and number of shares of capital stock of the Company which are owned beneficially or of record by such party, (B) any Derivative Instrument directly or indirectly owned beneficially by each such party, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Company, (C) any proxy, contract, arrangement,

understanding, or relationship pursuant to which either party has a right to vote any shares of any security of the Company, (D) any short interest in any security of the

Company held by each such party (for purposes of this Section, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Company owned beneficially by each such party that are separated or separable from the underlying shares of the Company, (F) any proportionate interest in shares of the Company or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which either party is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that each such party is entitled to based on any increase or decrease in the value of shares of the Company or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of each such party's immediate family sharing the same household (which information set forth in this paragraph shall be supplemented by such stockholder or such beneficial owner, as the case may be, not later than ten (10) days after the record date for determining stockholders entitled to vote at the meeting to disclose such ownership as of the record date; provided, that if such date is after the date of the meeting, not later than the day prior to the meeting), (iii) a description of all arrangements or understandings between any and each party and any other person or persons (including their names) in connection with the proposal of such business by such Record Stockholder, (iv) a representation that such Record Stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting, (v) any other information relating to such party that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the transaction of business pursuant to Section 14 of the Exchange Act, and (vi) a statement whether or not each such party will deliver a proxy statement and form of proxy to holders of at least the percentage of voting power of all of the shares of capital stock of the Company required under applicable law to carry the proposal (such statement, a "Business Solicitation Statement").

No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 12; *provided, however*, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 12 shall be deemed to preclude discussion by any stockholder of any such business. The chairperson of the meeting shall have the power and the duty to determine whether a proposal has been made in accordance with the procedures set forth in this Section 12 and, if the chairperson of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairperson shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Notwithstanding the foregoing provisions of this Section 12, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 12. Nothing in this Section 12 shall be deemed to affect any rights of stockholders to request inclusion of a proposal in the Company's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

SECTION 13. Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

SECTION 14. Fixing the Record Date. In order that the Company may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for the adjourned meeting;*provided, however*, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 14 at the adjourned meeting.

ARTICLE III

Board of Directors

SECTION 1. General Powers. The business and affairs of the Company shall be managed by or under the direction of the Board of Directors. The Board of Directors may exercise all such authority and powers of the Company and do all such lawful acts and things as are not by statute or the Certificate of Incorporation directed or required to be exercised or done by the stockholders.

SECTION 2. Number, Tenure and Election. The number of directors shall be determined in the manner provided in the Certificate of Incorporation. Except as otherwise provided in the Certificate of Incorporation, at each annual meeting of the stockholders of the Company, the successors of the class of directors whose term expires at that meeting shall be

elected to hold office for a term expiring at the third succeeding annual meeting of the stockholders of the Company held after their election.

SECTION 3. Place of Meetings. Meetings of the Board of Directors shall be held at such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine or as shall be specified in the notice of any such meeting.

SECTION 4. Annual Meetings. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of stockholders, and to the extent practicable, on the same day and at the same place where such annual meeting shall be held. In the event such annual meeting of the stockholders is not so held, the annual meeting of the Board of Directors may be held at such other time or place (within or without the State of Delaware) as shall be specified in a notice thereof given as hereinafter provided in Section 7 of this Article III.

SECTION 5. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may fix. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day.

SECTION 6. Special Meetings. Special meetings of the Board of Directors may be called by the Chairperson of the Board of Directors, if one shall have been elected, or by a majority of the Whole Board of the Company or by the Chief Executive Officer.

SECTION 7. Notice of Meetings. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by law or these Bylaws.

Notice of each special meeting of the Board of Directors, and of each regular and annual meeting of the Board of Directors for which notice shall be required, shall be given by the Corporate Secretary as hereinafter provided in this Section 7, in which notice shall be stated the time and place of the meeting. Notice of any special meeting, and of any regular or annual meeting for which notice is required, shall be given to each director at least (a) twenty-four (24) hours before the meeting if by telephone or by being personally delivered or sent by telex, telecopy, electronic transmission or similar means or (b) five (5) days before the meeting if delivered by mail to the director's residence or usual place of business. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage prepaid, or when transmitted if sent by telex, telecopy, electronic transmission or similar means. Except as otherwise required by these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Any director may waive notice of any meeting by a writing signed by the director entitled to the notice, or by electronic transmission by the director, and filed with the minutes or corporate records.

SECTION 8. Waiver of Notice and Presumption of Assent. Any member of the Board of Directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the

express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 9. Quorum and Manner of Acting. A majority of the Whole Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and, except as otherwise expressly required by law or the Certificate of Incorporation, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. For purposes of these Bylaws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of the time and place of any such adjourned meeting shall be given to all of the directors unless such time and place were announced at the meeting at which the adjournment was taken, in which case such notice shall only be given to the directors who were not present thereat. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. The directors shall act only as a Board of Directors and, except to the extent designated as a committee of the Board of Directors pursuant to Section 13 of this Article III, the individual directors shall have no power as such.

SECTION 10. Organization. At each meeting of the Board of Directors, the Chairperson of the Board of Directors, if one shall have been elected, or, in the absence of the Chairperson of the Board of Directors or if one shall not have been elected, the Chief Executive Officer (or, in his or her absence, another director chosen by a majority of the directors present) shall act as chairperson of the meeting and preside thereat. The Corporate Secretary or, in his or her absence, any person appointed by the chairperson, shall act as secretary of the meeting and keep the minutes thereof.

SECTION 11. Resignations; Newly Created Directorships; Vacancies; and Removals. Any director of the Company may resign at any time by giving notice in writing or by electronic transmission of his or her resignation to the Company. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Newly created directorships resulting from any increase in the number of directors or any vacancies in the Board of Directors resulting from death, resignation, disqualification, removal or any other cause shall be filled as provided in the Certificate of Incorporation. Any director may be removed as provided in the Certificate of Incorporation.

SECTION 12. Compensation. The Board of Directors shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Company in any capacity.

SECTION 13. Committees. The Board of Directors may designate one or more committees, including an executive committee, each committee to consist of one or more of the directors of the Company. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Except to the extent restricted by statute or the Certificate of

Incorporation, each such committee, to the extent provided in the resolution creating it, shall have and may exercise all the powers and authority of the Board of Directors (including, without limitation, the right to delegate authority to one or more subcommittees thereof) and may authorize the seal of the Company to be affixed to all papers which require it. Each such committee shall serve at the pleasure of the Board of Directors and have such name as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings.

SECTION 14. Committee Rules. Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the Board of Directors as provided in Section 13 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 15. Action by Consent. Notwithstanding any other provision contained herein, unless restricted by the Certificate of Incorporation, any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board of Directors or such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. This Section 15 of this Article III does not apply to any action of the Board of Directors pursuant to the Investment Company Act that requires the votes of members of the Board of Directors to be cast in person at a meeting.

SECTION 16. Telephonic and Other Meetings. Unless restricted by the Certificate of Incorporation, any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting; *provided however,* that this Section 16 of this Article III does not apply to any action of the Board of Directors pursuant to the Investment Company Act that requires the votes of members of the Board of Directors to be cast in person at a meeting.

ARTICLE IV

Officers

SECTION 1. Number and Qualifications. The officers of the Company shall be elected by the Board of Directors and shall include the Chief Executive Officer, the Chief Financial Officer, the Chief Compliance Officer and the Corporate Secretary. The Company may also

have, at the discretion of the Board of Directors, such other officers as are desired, including one or more Vice Presidents, Treasurer, one or more Assistant Treasurers, Controller, one or more Assistant Corporate Secretaries, and such other officers as may be necessary or desirable for the business of the Company. In the event there are two or more Vice Presidents, then one or more may be designated as Executive Vice President, Senior Vice President, or other similar or dissimilar title. At the time of the election of officers, the directors may by resolution determine the order of their rank. Any number of offices may be held by the same person, and no officer need be a director. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable.

SECTION 2. Election and Term of Office. The officers of the Company shall be elected annually by the Board of Directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as is convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified, or until his or her death, or until he shall have resigned or have been removed, as hereinafter provided in these Bylaws.

SECTION 3. Resignations. Any officer of the Company may resign at any time by giving written notice of his or her resignation to the Company. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon receipt. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

SECTION 4. Removal. Any officer of the Company may be removed, either with or without cause, at any time, by the Board of Directors at any meeting thereof.

SECTION 5. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term by the Board of Directors.

SECTION 6. Compensation. An officer of the Company shall not be prevented from receiving compensation by reason of the fact that he is also a director of the Company.

SECTION 7. Officers' Bonds or Other Security. If required by the Board of Directors, any officer of the Company shall give a bond or other security for the faithful performance of his or her duties, in such amount and with such surety as the Board of Directors may require.

SECTION 8. Absence or Disability of Officers. In the case of the absence or disability of any officer of the Company and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the Board of Directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

SECTION 9. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

ARTICLE V

Indemnification

SECTION 1. Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he is or was a director, officer or trustee of the Company or is or was serving at the request of the Company as a director or officer of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including, without limitation, service with respect to an employee benefit plan (hereinafter, an "Indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while so serving, shall be indemnified and held harmless by the Company to the full extent permitted by the DGCL and the Investment Company Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), or by other applicable law as then in effect, against all expense, liability and loss (including, without limitation, attorneys' fees, costs and charges, judgments, fines, excise taxes or penalties under the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA"), penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such Indemnitee in connection therewith; *provided, however*, that except as provided in Section 3 of this Article V with respect to proceedings to enforce rights to indemnification and advancement, the Company shall indemnify any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors. Notwithstanding anything to the contrary in this Section 1 of this Article V or any other provision of these Bylaws, for so long as the Company is subject to the Investment Company Act, the Company shall not indemnify an Indemnitee to the extent such indemnification would violate the Investment Company Act.

SECTION 2. Advances for Expenses. Expenses (including, without limitation, attorneys' fees, costs and charges) incurred by an Indemnitee in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf an Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such Indemnitee is not entitled to be indemnified by the Company as authorized in this Article V; *provided, however*, that except as provided in Section 3 of this Article V with respect to proceedings to enforce rights to indemnification and advancement, the Company shall advance expenses of any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors. The Board of Directors may, upon approval of such Indemnitee, authorize the Company's counsel to represent such person in any proceeding, whether or not the Company is a party to such proceeding. Notwithstanding anything to the contrary in this Section 2 of this Article V or any other provision of these Bylaws, for so long as the Company is subject to the

Investment Company Act, the Company shall not advance an Indemnitee any expenses to the extent such advancement would violate the Investment Company Act.

SECTION 3. Procedure for Indemnification and Advancement. Any indemnification or advance of expenses (including, without limitation, attorney's fees, costs and charges) under this Article V shall be made promptly, and in any event within 60 days, or, in the case of a claim for an advancement of expenses, within 20 days, upon the written request of an Indemnitee (and, in the case of advance of expenses, receipt of a written undertaking by or on behalf of such Indemnitee to repay such amount if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified therefor pursuant to the terms of this Article V). The right to indemnification or advances as granted by this Article V shall be enforceable by such Indemnitee in any court of competent jurisdiction, if the Company denies such request, in whole or in part, or if no disposition thereof is made within 60 days (or 20 days with respect to advancement of expenses). To the full extent permitted by law, such Indemnitee's costs and expenses incurred in connection with successfully establishing his or her right to indemnification or advancement, in whole or in part, in any such action shall also be indemnified by the Company. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses (including, without limitation, attorney's fees, costs and charges) under this Article V where the required undertaking, if any, has been received by the Company) that the claimant has not met the standard of conduct set forth in the DGCL, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), but the burden of proving such

defense shall be on the Company. Neither the failure of the Company (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), nor the fact that there has been an actual determination by the Company (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. Notwithstanding anything to the contrary in this Section 3 of this Article V or any other provision of these Bylaws, for so long as the Company is subject to the Investment Company Act, any advancement of expenses pursuant to this Article V shall be subject to at least one of the following as a condition of the advancement: (a) the Indemnitee shall provide a security for his or her undertaking, (b) the Company shall be insured against losses arising by reason of any lawful advances or (c) (i) a majority of directors of the Company who are and were not a party to the proceeding in respect of which advancement or indemnification is being sought or (ii) Independent Counsel (as defined below), in a written opinion, shall determine based on a review of readily available facts (as opposed to a full-trial-type inquiry), that there is reason to believe that the Indemnitee ultimately will be found entitled to indemnification.

For purposes of the paragraph above, "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to or witness in the proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine such Indemnitee's rights hereunder.

SECTION 4. Other Rights; Continuation of Right to Indemnification. The indemnification and advancement of expenses provided by this Article V shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), bylaw, agreement, vote of stockholders or directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Company, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification or advancement under this Article V shall be deemed to be a contract between the Company and each Indemnitee. Any repeal or modification of this Article V or any repeal or modification of relevant provisions of the DGCL or any other applicable laws shall not in any way diminish any rights to indemnification of such Indemnitee or the obligations of the Company arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such repeal or modification.

SECTION 5. Insurance. The Company shall have power to purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (including, without limitation, with respect to an employee benefit plan), against any liability asserted against the person and incurred by the person or on the person's behalf in any such capacity, or arising out of the person's status as such, whether or not the Company would have the power to indemnify the person against such liability under the provisions of this Article V or the DGCL; *provided, however*, that such insurance is available on acceptable terms, which determination shall be made by a vote of the Board of Directors.

SECTION 6. Indemnification of Employees and Agents of the Company. The Company may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Company to the fullest extent permitted by law.

SECTION 7. Savings Clause. If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless provide indemnification and advancement to each Indemnitee entitled to such indemnification and advancement pursuant to paragraphs 1 and 2 of this Article V to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE VI

Stock Certificates and Their Transfer

SECTION 1. Stock Certificates. The Board of Directors may issue stock certificates, or may provide by resolution or resolutions that some or all of any or all classes or series of stock of the Company shall be uncertificated shares of stock. Every holder of stock represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Company by, the Chairperson of the Board of Directors, President or Vice President of the Company and by the Treasurer or an Assistant Treasurer or the Corporate Secretary or an Assistant Corporate Secretary of the Company, certifying the number of shares owned by him or her in the Company. A certificate representing shares issued by the Company shall, if the Company is authorized to issue more than one class or series of stock, set forth upon the face or back of the certificate, or shall state that the Company will furnish to any stockholder upon request and without charge, a statement of the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights in the manner provided by law. The Company shall furnish to any holder of uncertificated shares, upon request and without charge, a statement of the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

SECTION 2. Facsimile Signatures. Any or all of the signatures on a certificate may be a facsimile, engraved or printed. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

SECTION 3. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Company alleged to have been lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the Company a bond in such sum as it may direct sufficient to indemnify it against any claim that may be made against the Company on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

SECTION 4. Transfers of Stock. Upon surrender to the Company or the transfer agent of the Company of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Company to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its records; *provided, however*, that the Company shall be entitled to recognize and enforce any lawful restriction on transfer. Whenever any transfer of stock shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of transfer if, when the certificates are presented to the Company for transfer, both the transferor and the transferee request the Company to do so.

SECTION 5. Transfer Agents and Registrars. The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

SECTION 6. Regulations. The Board of Directors may make such additional rules and regulations, not inconsistent with these Bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Company.

SECTION 7. Registered Stockholders. The Company shall be entitled to recognize the exclusive right of a person registered on its records as the owner of shares of stock to receive dividends and to vote as such owner and shall not be bound to recognize any equitable or other claim to or interest in such share or shares of stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE VII

General Provisions

SECTION 1. Dividends. Subject to the provisions of statutes and the Certificate of Incorporation, dividends upon the shares of capital stock of the Company may be declared by the Board of Directors at any regular or special meeting out of funds legally available therefore. Dividends may be paid in cash, in property or in shares of stock of the Company, unless otherwise provided by statute or the Certificate of Incorporation.

SECTION 2. Reserves. Before payment of any dividend, there may be set aside out of any funds of the Company available for dividends such sum or sums as the Board of Directors may, from time to time, in its absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Company or for such other purpose as the Board of Directors may think conducive to the interests of the Company. The Board of Directors may modify or abolish any such reserves in the manner in which it was created.

SECTION 3. Seal. The seal of the Company shall be in such form as shall be approved by the Board of Directors, which form may be changed by resolution of the Board of Directors.

SECTION 4. Fiscal Year. The fiscal year of the Company shall end on December 31 of each fiscal year and may thereafter be changed by resolution of the Board of Directors.

SECTION 5. Checks, Notes, Drafts, Etc. All checks, notes, drafts or other orders for the payment of money of the Company shall be signed, endorsed or accepted in the name of the Company by such officer, officers, person or persons as from time to time may be designated by the Board of Directors or by an officer or officers authorized by the Board of Directors to make such designation.

SECTION 6. Execution of Contracts, Deeds, Etc. The Board of Directors may authorize any officer or officers, agent or agents, in the name and on behalf of the Company to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

SECTION 7. Loans. Subject to applicable law, the Company may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Company or of its subsidiary, including any officer or employee who is a director of the Company or its subsidiary. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Company. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Company at common law or under any statute.

SECTION 8. Voting of Stock in Other Corporations. Unless otherwise provided by resolution of the Board of Directors, the Chairperson of the Board of Directors or the Chief Executive Officer, from time to time, may (or may appoint one or more attorneys or agents to) cast the votes which the Company may be entitled to cast as a shareholder or otherwise in any other corporation, any of whose shares or securities may be held by the Company, at meetings of the holders of the shares or other securities of such other corporation. In the event one or more attorneys or agents are appointed, the Chairperson of the Board of Directors or the Chief Executive Officer may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent. The Chairperson of the Board of Directors, or the Chief Executive Officer may, or may instruct the attorneys or agents so appointed to, execute or cause to be executed in the name and on behalf of the Company and under its seal or otherwise, such written proxies, consents, waivers or other instruments as may be necessary or proper in the circumstances.

SECTION 9. Inconsistent Provisions. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the DGCL or any other applicable law, the provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

SECTION 10. Waivers. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened.

SECTION 11. Conflict with Investment Company Act. If and to the extent that any provision of the DGCL, the Certificate of Incorporation or any provision of these Bylaws conflicts with any provision of the Investment Company Act, the applicable provision of the Investment Company Act shall control.

ARTICLE VIII

Amendments

These Bylaws may be amended or repealed or new Bylaws adopted only in accordance with the Certificate of Incorporation.

EXHIBIT 1

FORM OF RESIGNATION

[Date]

Attention: Chairperson of the Board of Directors

Dear :

In accordance with the policy of the Board of Directors of New Mountain Finance Corporation (the "Company") regarding majority voting in director elections, I hereby tender my resignation as a director of the Board of Directors (the "Board"), provided that this resignation shall be effective upon, and only in the event that, (i) I fail to receive a sufficient number of votes for re-election at the next meeting of the stockholders of the Company at which my seat on the Board will be subject to election (the "Applicable Annual Meeting") and (ii) the Board accepts this resignation following my failure to be re-elected at the Applicable Annual Meeting.

If I am re-elected at the Applicable Annual Meeting, this resignation will be deemed withdrawn upon my re-election. However, if I am not re-elected at the Applicable Annual Meeting, this resignation will remain in effect following such meeting but will be deemed withdrawn if and when the Board decides not to accept this resignation. This resignation may not be withdrawn by me at any time other than as set forth in this paragraph.

Very truly yours,

Director

EXHIBIT 2

MAJORITY VOTING POLICY

The Board of Directors has adopted the following policy:

In accordance with the Company's Bylaws, if none of our stockholders provides the Company notice in compliance with the advance notice requirements for stockholder nominees for director set forth in Article II, Section 11 of the Bylaws, of an intention to nominate one or more candidates to compete with the Board's nominees in a director election, or if our stockholders have withdrawn all such nominations by the tenth day before the Company mails its notice of meeting to our stockholders, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board. The Board expects a director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Board shall nominate for election or re-election as director only a candidate who agrees to tender promptly following the annual meeting at which he or she is elected or re-elected as director, an irrevocable resignation that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which he or she faces re-election and (ii) Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by any other director in accordance with this Board policy.

If an incumbent director fails to receive the required vote for re-election, the Board of Directors will act on an expedited basis to determine whether or not to accept the Director's resignation. The Board expects that the director whose resignation is under consideration to abstain from participating in any decision regarding resignation. The Board of Directors may consider any factors it deems relevant in deciding whether or not to accept a director's resignation.

AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

Dated , 2011

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS (1) THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS AND (2) IF REQUESTED BY THE BOARD, THE TRANSFEROR DELIVERS TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE BOARD, IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, TO THAT EFFECT.

TABLE OF CONTENTS

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

This Amended and Restated Limited Liability Company Agreement (this "**Agreement**") of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "**Company**"), is made and entered into as of , 2011, by and between New Mountain Guardian AIV, L.P., a Delaware limited partnership ("**Guardian AIV**"), and New Mountain Guardian Partners, L.P., a Delaware limited partnership ("**Guardian Partners**"). Certain terms used in this Agreement are defined in Section 1.1.

RECITALS

WHEREAS, the Company was formed by Guardian AIV under the provisions of the LLC Act (as defined below) under the name "New Mountain Guardian (Leveraged) L.L.C." by the filing of a Certificate of Formation with the Secretary of State of the State of Delaware on October 29, 2008;

WHEREAS, simultaneously therewith Guardian AIV entered into the Limited Liability Company Agreement of New Mountain Guardian (Leveraged) L.L.C. dated as of October 29, 2008 (the "**Initial LLC Agreement**");

WHEREAS, on , 2011, Guardian Partners caused New Mountain Guardian Partners Debt Funding, L.L.C. to merge with and into New Mountain Guardian Partners (Leveraged), L.L.C., with New Mountain Guardian Partners (Leveraged), L.L.C. as the surviving company;

WHEREAS, on , 2011, Guardian Partners caused New Mountain Guardian Partners (Leveraged), L.L.C. to merge with and into the Company, with the Company as the surviving company (the "**Guardian Partners Merger**"), and Guardian Partners received membership units in the Company as consideration for the transfer of assets in the merger;

WHEREAS, Guardian AIV will contribute to New Mountain Guardian AIV Holdings Corporation, a Delaware corporation ("**AIV Holdings**") its Common Membership Units in exchange for common stock of AIV Holdings and AIV Holdings will be admitted as a Member of the Company pursuant to a joinder agreement to this Agreement, the form of which is set forth in Exhibit 1 hereto (the "**AIV Holdings Joinder Agreement**");

WHEREAS, Guardian Partners will contribute to New Mountain Finance Corporation, a Delaware corporation ("**New Mountain Finance**") its Common Membership Units in exchange for a number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units so contributed, and New Mountain Finance will be admitted as a Member of the Company pursuant to a joinder agreement to this Agreement, the form of which is set forth in Exhibit 2 hereto (the "**New Mountain Finance Joinder Agreement**");

WHEREAS, the Company will be renamed "New Mountain Finance Holdings, L.L.C." by filing a Certificate of Amendment with the Secretary of State of the State of Delaware;

WHEREAS, shares of New Mountain Finance Common Stock will be sold to the public in an underwritten offering (the "**Initial Public Offering**") and in a concurrent private placement to certain executives and employees of, and other individuals affiliated with, New Mountain Capital (the "**Concurrent Offering**");

WHEREAS, New Mountain Finance will contribute the gross proceeds of the Initial Public Offering and the Concurrent Offering to the Company in exchange for a number of Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance in the Initial Public Offering and the Concurrent Offering; and

WHEREAS, the Members desire to amend and restate the Initial LLC Agreement to, among other things, (i) reclassify the membership units in the Company into Common Membership Units, (ii) set forth the rights and obligations of each Member with respect to the Company and (iii) set forth the terms and conditions for the operation of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 **Defined Terms**. The following terms shall have the following meanings in this Agreement:

"**Action**" means any suit, arbitration, inquiry, proceeding or investigation (whether civil, criminal, administrative, investigative, or informal) by or before any court, Governmental Authority or any arbitration tribunal asserted by a Person.

"**Administration Agreement**" means the Administration Agreement to be entered into among the Company, New Mountain Finance and New Mountain Finance Administration, L.L.C., as Administrator, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Adjustment Event**" has the meaning set forth in Section 3.3(d) of this Agreement.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person.

"**Agreement**" has the meaning set forth in the preamble of this Agreement, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

"**AIV Holdings**" has the meaning set forth in the preamble of this Agreement.

"**AIV Holdings Joinder Agreement**" has the meaning set forth in the preamble of this Agreement.

"**AIV Holdings Member**" means AIV Holdings and any Permitted Transferees of AIV Holdings (so long as Section 8.2 has been satisfied with respect to such Permitted Transferee); provided that if AIV Holdings and all of its Permitted Transferees cease to own Common Membership Units, then AIV Holdings and its Permitted Transferees shall no longer be treated as the AIV Holdings Member under this Agreement.

"**Beneficial Owner**" (including, with correlative meaning, the term "**beneficially owns**") has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act, whether or not applicable. For purposes of this Agreement no Member shall be deemed to be the Beneficial Owner of New Mountain Finance Common Stock solely by reason of such Member's ownership of Common Membership Units that are exchangeable pursuant to Section 7.4 or Section 9.1.

"**Board**" has the meaning set forth in Section 4.1(a) of this Agreement.

"**Budget**" means an annual operating and capital budget of the Company, including, among other things, anticipated revenues, expenditures (capital and operating), and cash and capital requirements of the Company for the following year.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"**Business Development Company**" has the meaning set forth under Section 2(a)(48) of the Investment Company Act.

"**Capital Account**" has the meaning set forth in Section 6.2(a) of this Agreement.

"**Capital Contribution**" means (i) the total amount of cash and the fair market value of assets contributed (or deemed contributed) by a Member to the Company determined (x) as of the Cutoff Date, in the case of cash and assets deemed contributed to the Company by Guardian Partners and Guardian AIV pursuant to the Guardian Partners Merger, subject to any reasonable adjustments as determined by the Board, and (y) at the date on which any other assets are contributed (or deemed contributed) to the Company by a Member, in each case as determined by the Board (net of all liabilities that the Company is considered to assume or take subject to) and (ii) in the case where the Investment Adviser receives payment of a portion of the incentive fee in Common Membership Units pursuant to the Investment Management Agreement, the total amount of cash that the Investment Adviser would have received if such portion of such incentive fee had been paid entirely in cash rather than in Common Membership Units.

"**Capital Stock**" means (i) with respect to any Person that is a corporation, any and all shares, interests in, participations in (or other equivalents), however designated, of corporate stock, including each class of common stock and preferred stock of such Person and

(2) with respect to any Person that is not a corporation, any and all partnership, limited liability company or other equity interests of such Person or any other interest that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets, of the issuing Person.

"**Carrying Value**" means, with respect to any asset of the Company, the asset's adjusted basis for U.S. federal income tax purposes, except as follows:

(i) the Carrying Value of any asset contributed (or deemed contributed) by a Member to the Company will be the fair market value of the asset (x) as of the Cutoff Date in the case of any asset deemed contributed to the Company by Guardian Partners and Guardian AIV pursuant to the Guardian Partners Merger, subject to any reasonable adjustment as determined by the Board, and (y) at the date on which any other asset is contributed (or deemed contributed) to the Company, in each case as determined by the Board;

(ii) the Carrying Values of all assets of the Company shall be adjusted to equal their respective fair market values, in accordance with the rules, events, and times, set forth in Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and otherwise provided for in the rules governing maintenance of Capital Accounts under Treasury Regulations; provided, however, that such adjustments shall be made only if the Board determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members;

(iii) any adjustments to the adjusted basis of any asset of the Company pursuant to Section 734 or Section 743 of the Code shall be taken into account in determining such asset's Carrying Value in a manner consistent with Treasury Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that the Carrying Value of any asset of the Company shall not be adjusted pursuant to this clause (iii) to the extent that an adjustment pursuant to clause (ii) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iii);

(iv) in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(e), the Carrying Value of any asset of the Company distributed to any Member shall be adjusted immediately prior to such distribution to equal its fair market value as of the time such asset is distributed as determined by the Board; and

(v) if the Carrying Value of any asset of the Company has been determined pursuant to clause (i), (ii) or (iii) of this definition, to the extent permitted by the Treasury Regulations, such Carrying Value shall thereafter be adjusted in the same manner as would the asset's adjusted basis for U.S. federal income tax purposes in accordance with and subject to the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(g).

"**Certificate**" has the meaning set forth in Section 2.1(a) of this Agreement.

"**Certificate of Amendment**" has the meaning set forth in Section 2.1(a) of this Agreement.

"**Claim**" means any Action, complaint, charge or investigation pending or, to the Person's knowledge, threatened against the Person or any of its Representatives.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute and the rules and regulations thereunder in effect from time to time. Any reference herein to a specific provision of the Code shall mean, where appropriate, the corresponding provision in any successor statute.

"**Commission**" means the United States Securities and Exchange Commission.

"**Common Membership Unit**" means a Unit representing, when outstanding, a fractional part of the Interests of all Members holding Common Membership Units, and having the rights and obligations specified with respect to Common Membership Units in this Agreement.

"**Company**" has the meaning set forth in the preamble of this Agreement.

"**Company Interests**" means, with respect to any New Mountain Finance Securities, the corresponding class of Units or Equity Interests, as applicable, with designations, preferences and other rights, terms and conditions (other than financial covenants applicable to New Mountain Finance or its Subsidiaries) that are substantially the same as the designations, preferences and other rights, terms and conditions of such other New Mountain Finance Securities.

"**Company Purposes**" has the meaning set forth in Section 2.6 of this Agreement.

"**Concurrent Offering**" has the meaning set forth in the preamble of this Agreement.

"**Confidential Information**" has the meaning set forth in Section 10.4(a) of this Agreement.

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting Equity Interests, as trustee or executor, by contract or otherwise.

"**Credit Agreement**" means the Amended and Restated Loan and Security Agreement, dated as of , 2011, among the Company, as the borower and the collateral administrator, each of the lenders from time to time party thereto, Wells Fargo Securities, LLC, as the administrative agent, and Wells Fargo Bank, National Association, as the collateral custodian, as may be amended, modified, waived, supplemented or restated from time to time.

"**Cutoff Date**" means March 31, 2011, the date as of which the Company will calculate net asset value per Unit.

"**Director**" has the meaning set forth in Section 4.1(a) of this Agreement.

"**Dissolution Exchange Date**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchange Notice**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchange Right**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchanging Non-NMF Member**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dividend Reinvestment Plan**" means the dividend reinvestment plan that New Mountain Finance has adopted pursuant to which its distributions will be reinvested in New Mountain Finance Common Stock on behalf of its stockholders.

"**Equity Interests**" means:

(i) with respect to the Company, any and all units, interests, participations or other equivalents (however designated, whether voting or non-voting) of limited liability company interests or equivalent ownership interests in, or issued by, the Company or interests, participations or other equivalents to share in the revenues or earnings of the Company, or securities convertible into, or exchangeable or exercisable for, such units, interests, participations or other equivalents and options, warrants or other rights to acquire such units, interests, participations or other equivalents (including, Indebtedness that is convertible into, or exchangeable for, units, interests, participations or other equivalents), but shall not include any other Indebtedness of the Company, and

(ii) with respect to any other Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited), limited liability company interests or equivalent ownership interests in or issued by, or interests, participations or other equivalents to share in the revenues or earnings of including any form of beneficial interest in a trust, such Person or securities convertible into, or exchangeable or exercisable for, such shares, interests, participations or other equivalents and options, warrants or other rights to acquire such shares, interests, participations or other equivalents (including, Indebtedness that is convertible into, or exchangeable for, shares, interests, participations or other equivalents), but shall not include any other Indebtedness of such Person.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Excess Nonrecourse Liability**" has the meaning set forth Treasury Regulations Section 1.752-3(a)(3).

"**Exchange Act**" means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Exchange Date**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Notice**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Right**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Units**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchanging Member**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Fiscal Month**" means each fiscal month within the Company's Fiscal Year, as determined by the Board.

"**Fiscal Quarter**" means each fiscal quarter, which shall consist of three Fiscal Months.

"**Fiscal Year**" means the fiscal year of the Company ending on December 31 of each year.

"**GAAP**" means the generally accepted accounting principles in the United States, including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession.

"**Governmental Authority**" means any United States federal, state or local or any foreign government, supranational, governmental, regulatory or administrative authority, instrumentality, agency or commission, political subdivision, securities self-regulatory organization or any court, tribunal or judicial or arbitral body or other governmental authority.

"**Group**" has the meaning set forth in Section 13(d)(3) and Rule 13d-5 of the Exchange Act.

"**Guardian AIV**" has the meaning set forth in the preamble of this Agreement.

"**Guardian Partners**" has the meaning set forth in the preamble of this Agreement.

"**Guardian Partners Merger**" has the meaning set forth in the preamble of this Agreement.

"**Indebtedness**" means, with respect to any Person, at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments issued by such Person, (iii) all obligations of such Person to pay the deferred purchase price for property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person evidenced by surety bonds or other similar instruments, (v) all reimbursement obligations of such Person in respect of letters of credit or other similar instruments, (vi) all Indebtedness of others secured by any lien, security interest or mortgage on any asset of such Person and (vii) all Indebtedness of others guaranteed (whether by virtue of partnership

arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain a minimum net worth, financial ratio or similar requirements, or otherwise) by such Person.

"**Indemnitee**" has the meaning set forth in Section 4.8(a) of this Agreement.

"**Independent Counsel**" has the meaning set forth in Section 4.8(c) of this Agreement.

"**Information**" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, geological information, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"**Initial LLC Agreement**" has the meaning set forth in the recitals of this Agreement.

"**Initial Public Offering**" has the meaning set forth in the preamble of this Agreement.

"**Interest**" means a Member's limited liability company interest in the Company as provided in this Agreement and under the LLC Act, and, in addition, any and all rights and benefits to which a Member is entitled under this Agreement and/or the LLC Act, together with all duties and obligations of such Person to comply with this Agreement and/or the LLC Act.

"**Investment Adviser**" means New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company.

"**Investment Company Act**" means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Investment Management Agreement**" means the Investment Management Agreement to be entered into between the Company and the Investment Adviser, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**IPO Date**" means the closing date of the Initial Public Offering.

"**law**" means any law (statutory, common or otherwise), constitution, ordinance, code, rule, regulation, executive order or other similar authority enacted, adopted, promulgated or applied by any Governmental Authority, each as amended from time to time.

"**Liabilities**" means all damages, losses, liabilities or obligations, payments, amounts paid in settlement, fines, penalties, costs of burdens associated with performing

injunctive relief and other costs (including reasonable fees and expenses of outside attorneys, accountants and other professional advisors, and of expert witnesses and other costs of investigation, preparation and litigation in connection with any Action, appeal, petition, plea, charge, complaint, claim, suit, demand, litigation, arbitration, mediation, hearing, inquiry, investigation or similar matter or proceeding) of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute, contingent or vested, accrued or unaccrued, liquidated or unliquidated, or matured or unmatured.

"**License Agreement**" means the License Agreement to be entered into by and between the Company and New Mountain Finance, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Lien**" means, with respect to any asset, any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement and any lease in the nature thereof.

"**Liquidator**" has the meaning set forth in Section 7.2 of this Agreement.

"**LLC Act**" means the Delaware Limited Liability Company Act, 6 Del.C. §§18-101, et seq., as it may be amended from time to time, and any successor to such statute.

"**Member**" means each Person that is or becomes a member, as contemplated in the LLC Act, of the Company in accordance with the provisions of this Agreement and is listed on Schedule A to this Agreement (as such Schedule may be amended or modified from time to time) and has not ceased to be a Member as provided in Section 3.1(e) of this Agreement.

"**Member Information**" has the meaning set forth in Section 10.4(c) of this Agreement.

"**Net Income**" or "**Net Losses**," as appropriate, means, for any period, the taxable income or tax loss of the Company for such period for U.S. federal income tax purposes, as determined in accordance with the accounting method used by the Company for U.S. federal income tax purposes, with the following adjustments:

(i) there shall be taken into account any separately stated items under Section 702(a) of the Code;

(ii) any tax-exempt income received by the Company shall be deemed for these purposes only to be an item of gross income;

(iii) any expenditure of the Company described in Section 705(a)(2)(B) of the Code (or treated as described therein pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i)) shall be treated as a deductible expense;

(iv) if the Carrying Value of any asset of the Company is adjusted pursuant to clause (ii), (iii) or (iv) of the definition thereof, the amount of such adjustment shall be taken into account in the period of adjustment as gain or loss from the disposition or deemed disposition of

such asset for purposes of computing Net Income and Net Losses, but in the case of an adjustment pursuant to clause (ii) of the definition of Carrying Value only in the manner and subject to the limitations prescribed in Treasury Regulations Section 1.704-1(b)(iv)(m)(4);

(v) in the case of an asset of the Company described in clause (i) of the definition of Carrying Value or that is adjusted pursuant to clause (ii) of the definition of Carrying Value, Net Income and Net Losses of the Company (and the constituent items of income, gain, loss and deduction) realized with respect to such asset shall be computed in accordance with the principles of Treasury Regulations Section 1.704-1(b)(2)(iv)(g); and

(vi) any amounts paid to the Investment Adviser pursuant to the Investment Management Agreement shall be treated as payments to a non-Member under Section 707 of the Code.

"**New Mountain Capital**" means New Mountain Capital Group, L.L.C., a Delaware limited liability company.

"**New Mountain Finance**" has the meaning set forth in the preamble of this Agreement.

"**New Mountain Finance Common Stock**" means the common stock, par value $0.01, of New Mountain Finance.

"**New Mountain Finance Joinder Agreement**" has the meaning set forth in the preamble of this Agreement.

"**New Mountain Finance Securities**" means any Equity Interests of New Mountain Finance, or any rights, options, warrants or convertible or exchangeable securities having the right to convert into, exchange for, subscribe for or purchase any Equity Interests of New Mountain Finance.

"**New Mountain Finance Stock Offering**" means a primary offering by New Mountain Finance of its Common Stock, including, without limitation, the Initial Public Offering, the Concurrent Offering and any other offerings.

"**Non-NMF Member**" means, unless the context otherwise requires, Guardian AIV (for so long as Guardian AIV is a Member), Guardian Partners (for so long as Guardian Partners is a Member), the AIV Holdings Member and each additional Person, except for New Mountain Finance, but including the Investment Adviser and Permitted Transferees (so long as Section 8.2 has been satisfied with respect to such Permitted Transferees), that becomes a Member pursuant to the terms of this Agreement, in such Person's capacity as a member of the Company.

"**Nonrecourse Debt**" means any Company liability to the extent that no Member (or related person within the meaning of Treasury Regulations Section 1.752-4(b)) bears the economic risk of loss for such liability under Treasury Regulations Section 1.752-2.

"**Over-Allotment Option**" means the over-allotment option that may be exercised by the Underwriters of the Initial Public Offering pursuant to the Underwriting Agreement.

"**Party**" or "**Parties**" means the Company and each Member of the Company.

"**Percentage Interest**" means, with respect to any Member at any time holding Common Membership Units, the quotient, expressed as a percentage, obtained by dividing (i) the number of Common Membership Units held by such holder at the time of such calculation, by (ii) the total number of all Common Membership Units outstanding at the time of such calculation.

"**Permitted Transferee**" means in the case of any Member, an Affiliate of such Member, and in the case of the Investment Adviser, an officer, director, member, manager, equity holder, employee, agent or Affiliate of the Investment Adviser and any of their heirs, executors, successors and assigns.

"**Person**" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, Governmental Authority or other entity or organization of any nature whatsoever.

"**Private Resale**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Proceeding**" has the meaning set forth in Section 4.8(a) of this Agreement.

"**Prohibited Person**" means any Person with whom a Member would be restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H. R. 3162, Public Law 107 56, as amended, and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001, and regulations promulgated pursuant thereto, including, without limitation, Persons named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List, as such List may be amended from time to time.

"**Registration Rights Agreement**" means the Registration Rights Agreement to be entered into among the Company, New Mountain Finance, AIV Holdings, Guardian Partners and the Investment Adviser, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Regulated Investment Company**" has the meaning set forth in Section 2.6 of this Agreement.

"**Representative**" has the meaning set forth in Section 4.7(a) of this Agreement.

"**Retraction Notice**" has the meaning set forth in Section 9.1(b) of this Agreement.

"**Section 704(c) Property**" means any asset of the Company if the Carrying Value of such asset differs from its adjusted tax basis.

"**Subsidiary**" means, with respect to any Person, (i) a corporation a majority of whose Capital Stock with the general voting power under ordinary circumstances to vote in the election of directors of such corporation (irrespective of whether or not, at the time, any other class or classes of securities shall have, or might have, voting power by reason of the happening of any contingency) or a majority of the outstanding Equity Interests is at the date of determination beneficially owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation), including a joint venture, a general or limited partnership or a limited liability company, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, beneficially owns (x) at least a majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Persons performing such functions), (y) at least a majority of the outstanding Equity Interests or (z) otherwise acts as the general partner or managing member of such other Person.

"**Tax Matters Member**" has the meaning set forth in Section 6.7(a) of this Agreement.

"**Termination Notice**" has the meaning set forth in Section 9.1(b) of this Agreement.

"**Transaction Documents**" means, collectively, the following agreements:

(i) this Agreement;
(ii) the Administration Agreement;
(iii) the Investment Management Agreement;
(iv) the License Agreement; and
(v) the Registration Rights Agreement.

"**Transfer**" (including the term "**Transferred**") means, directly or indirectly and by operation of law or otherwise, to sell, transfer, give, exchange, bequest, assign, pledge, grant a security interest in, encumber, hypothecate or otherwise dispose of, either voluntarily or involuntarily.

"**Transferring Member**" has the meaning set forth in Section 8.1(a) of this Agreement.

"**Treasury Regulations**" means the federal income tax regulations, including any temporary regulations, promulgated under the Code, as such Treasury

Regulations may be amended from time to time. Any and all references herein to specific Treasury Regulations provisions shall be deemed to refer to any corresponding successor provisions.

"**Underwriters**" means the several underwriters of the Initial Public Offering named in the Underwriting Agreement.

"**Underwriting Agreement**" means the underwriting agreement entered into among New Mountain Finance and the Underwriters for the Initial Public Offering.

"**Underwritten Resale**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Unit**" has the meaning set forth in Section 3.3(a).

1.2 Other Definitional Provisions; Interpretation.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole, including the schedules and exhibits attached hereto, and not to any particular provision of this Agreement. Article, section and subsection references are to this Agreement unless otherwise specified.

(b) The words "include" and "including" and words of similar import when used in this Agreement shall be deemed to be followed by the words "without limitation."

(c) The titles and headings in this Agreement are included for convenience of reference only and will not limit or otherwise affect the meaning or interpretation of this Agreement.

(d) The meanings given to capitalized terms defined herein will be equally applicable to both the singular and plural forms of such terms. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(e) If and to the extent that any provision of the LLC Act, the Certificate, the Certificate of Amendment or any provision of this Agreement conflicts with any provision of the Investment Company Act or interpretation thereof by the U.S. Securities and Exchange Commission, the applicable provision of the Investment Company Act or applicable interpretation shall control.

ARTICLE 2
FORMATION

2.1 Formation; Qualification.

(a) A Certificate of Formation of the Company (the "**Certificate**") was filed with the Secretary of State of the State of Delaware on October 29, 2008 to form on such date the Company as a limited liability company pursuant to the LLC Act. A Certificate of Amendment was filed with the Secretary of State of the State of Delaware on , 2011, renaming the Company "New Mountain Finance Holdings, L.L.C." (the "**Certificate of Amendment**"). The rights, duties and liabilities of the Members shall be as provided in the LLC Act, except as otherwise provided in this Agreement.

(b) The Company shall be qualified or registered under foreign limited liability company statutes or assumed or fictitious name statutes or similar laws in any jurisdiction in which the Company owns property or transacts business to the extent, in the judgment of the Board, such qualification or registration is necessary or advisable in order to protect the limited liability of the Members or to permit the Company lawfully to own property

or transact business. The Board shall, to the extent necessary in the judgment of the Board, maintain the Company's good standing in each such jurisdiction.

(c) Each Director shall be an "authorized person" within the meaning of § 18-204(a) of the LLC Act, and shall have the power and authority to execute, file and publish any certificates, notices, statements or other documents (and any amendments or restatements thereof) necessary to permit the Company to conduct business as a limited liability company in each jurisdiction where the Company elects to do business.

2.2 Name. The name of the limited liability company formed by the filing of the Certificate, as amended by the filing of the Certificate of Amendment is "New Mountain Finance Holdings, L.L.C." The business of the Company may be conducted under such other names as the Board may from time to time designate; provided that the Company complies with all applicable laws relating to the use of fictitious and assumed names.

2.3 Term. The term of the Company commenced as of the date of filing the Certificate and will continue in perpetuity; provided that the Company may be dissolved in accordance with the provisions of this Agreement or the LLC Act.

2.4 Principal Executive Offices. The Company's principal offices shall be located in 787 7th Avenue, 48th Floor, New York, NY 10019 or at such location as the Board determines from time to time in its sole discretion.

2.5 Registered Agent and Office. The address of the Company's registered office in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808. The name of the Company's registered agent at such address is Corporation Service Company. The Board may at any time designate a replacement registered agent or registered office or both.

2.6 Purpose. The purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be formed under the LLC Act (the "**Company Purposes**"); provided that the Company's business and operations shall be limited and conducted in such a manner that will (a) permit New Mountain Finance at all times to satisfy the requirements for qualification as a Business Development Company, unless New Mountain Finance voluntarily withdraws its election to be a Business Development Company in accordance with the requirements with respect thereto under the Investment Company Act, (b) permit New Mountain Finance at all times to satisfy the requirements for qualification as a regulated investment company under Subchapter M of the Code (a "**Regulated Investment Company**") unless New Mountain Finance ceases to qualify as a Regulated Investment Company for reasons other than the conduct of the business and operations of the Company or voluntarily revokes its election to be a Regulated Investment Company and (c) ensure that the Company will not be classified as a "publicly traded partnership" taxable as a corporation for purposes of Section 7704 of the Code except to the extent determined by the Board.

2.7 Powers. The Company shall have the power and authority to take any and all actions necessary, appropriate, desirable, advisable, incidental or convenient to, or for the furtherance of, the Company Purposes, alone or with other Persons; provided, however, that the Company shall not take any action that, or omit to take any action

which omission, in the

judgment of the Board, (i) could adversely affect the ability of New Mountain Finance to qualify and to continue to qualify as a Business Development Company and a Regulated Investment Company or (ii) could subject New Mountain Finance to any additional taxes under Section 852 of the Code or Section 4982 of the Code or any other related or successor provision of the Code, unless any such action (or omission) under the foregoing clause (i) or (ii) shall have been specifically consented to by New Mountain Finance in writing. In connection with the foregoing, and without limiting New Mountain Finance's right to cease qualifying as a Business Development Company and/or a Regulated Investment Company, the Members acknowledge that New Mountain Finance's expected status as a Regulated Investment Company and the avoidance of income and excise taxes on New Mountain Finance inures to the benefit of all the Members and not solely New Mountain Finance. Notwithstanding the foregoing, the Non-NMF Members agree that New Mountain Finance may terminate its status as a Business Development Company and/or Regulated Investment Company at any time to the fullest extent permitted under applicable law.

ARTICLE 3
MEMBERS AND INTERESTS

3.1 Members.

(a) Each of Guardian Partners and Guardian AIV was previously admitted as a Member to the Company pursuant to the Initial LLC Agreement, as amended. Each Person named as a Member on Schedule A hereto on the date hereof shall be deemed to own the number of Common Membership Units specified in Schedule A.

(b) In addition to the information described in Section 3.1(a) hereof, Schedule A hereto contains the name and address of each Member as of the date hereof. The Company shall revise Schedule A (i) following the contribution by Guardian AIV to AIV Holdings of its Common Membership Units in exchange for common stock of AIV Holdings and the execution by AIV Holdings of the AIV Holdings Joinder Agreement, (ii) following the contribution by Guardian Partners to New Mountain Finance of its Common Membership Units in exchange for a number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units so contributed and the execution by New Mountain Finance of the New Mountain Finance Joinder Agreement, (iii) following the contribution by New Mountain Finance to the Company of the proceeds of the Initial Public Offering and the Concurrent Offering in exchange for Common Membership Units pursuant to Section 5.2(a), (iv) following the exercise by the Underwriters of the Over-Allotment Option, if any, to reflect the issuance of additional Common Membership Units to New Mountain Finance pursuant to Section 5.2(a), (v) from time to time to reflect the issuance or Transfer of Units in accordance with the terms of this Agreement and other modifications to or changes in the information set forth therein, (vi) in accordance with Sections 3.3, 3.4, 5.2, 7.4, 8.2 and 9.1 and (vii) from time to time to reflect the issuance of Units to the Investment Adviser pursuant to the Investment Management Agreement. Any amendment or revision to Schedule A or to the Company's records as contemplated by this Agreement to reflect information regarding Members or under Section 3.3, 3.4, 5.2, 7.4, 8.2 or 9.1 and in accordance with such Sections shall be deemed to amend this Agreement, but shall not require the approval of any Member.

(c) Each of AIV Holdings and New Mountain Finance will be admitted as a Member of the Company only upon the execution and delivery of the AIV Holdings Joinder Agreement and the New Mountain Finance Joinder Agreement, respectively, and will not be considered to be a Member, and nothing in this Agreement, express or implied, is intended to confer upon either of AIV Holdings or New Mountain Finance any rights, remedies, duties or obligations of any nature whatsoever under or by reason of this Agreement, until such joinder agreement is executed by the Company. One or more additional Persons may be admitted as a Member of the Company only upon (i) an issuance of Units or other Company Interests pursuant to and in compliance with Sections 3.3 or 3.4 or a Transfer of Units pursuant to and in compliance with Article 8 and (ii) the execution and delivery by such Person of a counterpart to this Agreement or other written agreement, in a form reasonably satisfactory to the Board, to be bound by all the terms and conditions of this Agreement. Upon such execution, the Company shall amend Schedule A (which shall be deemed an amendment to this Agreement) to reflect the admission of such Person as a Member and such other information of such Person as indicated in Schedule A. Unless admitted to the Company as a Member as provided in this Section 3.1 or Section 8.2, no Person is, or will be considered to be, a Member.

(d) Notwithstanding the foregoing clause (c) of this Section 3.1, in no case will the Board admit any Member, issue any Equity Interests in the Company, consent to any Transfer or otherwise take any action if such admittance, issuance, Transfer or other action would cause the Company to be a partnership that has more than one hundred (100) partners within the meaning of Treasury Regulations Section 1.7704-1(h)(1)(ii).

(e) Subject to the other provisions of this Section 3.1 and Section 8.2, each Person that holds one or more Units in compliance with the terms of this Agreement shall be a Member. A Member will cease to be a Member when such Person ceases to own any Units in the Company, in which case Schedule A shall be amended by the Company to reflect that such Person is no longer a Member; provided that the failure to so amend Schedule A shall not affect such Person's status as a former Member.

(f) Except as provided in the LLC Act, this Agreement or as otherwise agreed by a Member, in no event shall any Member (or any former Member), by reason of its status as a Member (or former Member), have any liability or responsibility for (i) any Indebtedness, duties, Liabilities or any other obligations of the Company or any other Member (or any former Member) under this Agreement, (ii) the repayment of any Capital Contribution of any other Member or (iii) any act or omission of any other Member (or any former Member).

3.2 Meeting of Members.

(a) Annual Meeting. Subject to Section 3.2(h), an annual meeting of Members shall be held on such date and at such time as (i) shall be designated from time to time by the Board, but no less often than once during each calendar year starting with calendar year 2012, and (ii) stated in the notice of the meeting, at which meeting the Members entitled to vote shall transact such business as may properly be brought before the meeting. Subject to Section 3.2(h), the Company shall endeavor to have each such annual meeting of the Members occur concurrently with New Mountain Finance's annual meeting of stockholders (it being understood and agreed that New Mountain Finance's first annual meeting of stockholders will occur in 2012). At each annual meeting of the Members, the Members shall elect, subject to Section

3.2(g)(ii), Directors to succeed those whose terms expire and transact such other business as may properly be brought before the meeting.

(b) Special Meetings. A special meeting of Members, for any purpose or purposes, may be called by the Board upon giving written notice of the special meeting as set forth in clause (d) of this Section 3.2.

(c) Place and Conduct of Meetings. Meetings of the Members shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board and stated in the notice of the meeting or in a duly executed waiver of notice thereof. All meetings shall be conducted by

such Person as the Board may appoint pursuant to such rules for the conduct of the meeting as the Board or such other Person deems appropriate. Such meetings may be held in person, by teleconference or by any other reasonable means, in each case in the sole discretion of the Board.

(d) Notice of Meetings. Written notice of an annual meeting or special meeting stating the place, if any, date and hour of the meeting, means of remote communications, if any, by which Members may be deemed to be present in person and vote at such meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by the Board no later than ten (10) calendar days nor more than ninety (90) days before the date of the meeting to each Member entitled to vote at such meeting, unless waived by each such Member. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communications, if any, by which Members may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which Members may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

(e) Waiver of Notice. No notice of any meeting of Members need be given to any Member who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(f) Quorum. The presence of the holders of a majority of all the Common Membership Units then outstanding and entitled to vote thereat, whether in person or represented by a valid written proxy, shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the Members, the Person conducting the meeting or the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from

time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

(g) Voting. (i) When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the voting power of the issued and outstanding Common Membership Units present in person or represented by proxy and entitled to vote thereon shall decide any question brought before such meeting, unless the question is one upon which by express provision of law (including the Investment Company Act or any other statute and rules and regulations of administrative agencies), or as otherwise set forth herein, a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by a class or classes or series or series of outstanding Units is required, the affirmative vote of the majority of voting power of such class or classes or series or series present in person or represented by proxy at the meeting and entitled to vote thereon shall be the act of such class or classes or series or series, unless the question is one upon which by express provision of law (including the Investment Company Act or any other statute and rules and regulations of administrative agencies) or as otherwise set forth herein, a different vote is required, in which case such express provision shall govern and control the decision of such question. Unless required by statute, or determined by the chairperson of the meeting to be advisable, the vote on any question need not be by ballot.

(ii) Subject to, and to the extent permitted by, the Investment Company Act, a nominee for Director shall be elected to the Board at a meeting if the votes cast for such nominee's election exceed the votes cast against such nominee's election; provided, however, that Directors shall be elected by a plurality of the votes cast for nominees who are validly nominated and qualified at any meeting of Members for which (i) a nominee for Director has also been nominated for election to the board of directors of New Mountain Finance by a stockholder of New Mountain Finance in compliance with the advance notice requirements for stockholder nominees for directors set forth in the bylaws of New Mountain Finance and (ii) such nomination has not been withdrawn as described in the bylaws of New Mountain Finance. If a Director is to be elected by a plurality of the votes cast, Members shall not be permitted to vote against a nominee.

(h) Action by Consent. Any consent required herein or action required to be taken at any meeting of Members, or any action which may be taken at any meeting of such Members, may be taken without a meeting, without a vote, without prior written notice and with a consent or consents in writing signed by Members who are holders of outstanding Common Membership Units having not less than the minimum number of votes, pursuant to clause (g) of this Section 3.2, that would be necessary to authorize or take such action at a meeting at which all Common Membership Units entitled to vote thereon were present and voted, other than any consent or action of Members pursuant to the Investment Company Act that requires the votes of Members to be cast in person at a meeting. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Members who are holders of Common Membership Units and who have not consented in writing; provided that the failure to give any such notice shall not affect the validity of the action taken by such written consent.

3.3 Membership Units.

(a) Units. The Interests in the Company may, to the extent permissible under the Investment Company Act, be represented by one or more classes of units (each, a "**Unit**"). The aggregate number of authorized Units that the Company is authorized to issue is 100,000,000 Common Membership Units. The aggregate number of authorized Units shall not be changed, modified or adjusted from that set forth in the immediately preceding sentence; provided, that, in the event the total number of authorized shares of New Mountain Finance Common Stock under the certificate of incorporation of New Mountain Finance shall be increased or decreased after the date of this Agreement, then the total number of authorized Units shall be automatically correspondingly increased or decreased by the same number so that the number of the authorized Units equals the number of authorized shares of New Mountain Finance Common Stock. Any Units repurchased by, or otherwise transferred to, the Company or otherwise forfeited (but not cancelled by the Company) shall thereafter be deemed to be authorized but unissued and may be subsequently issued as Units for all purposes hereunder in accordance with this Agreement; provided, however, that such Units will be deemed to be cancelled and thus not be available or authorized to be subsequently issued by the Company to the extent necessary to maintain a one-to-one ratio between the number of Common Membership Units authorized for issuance by the Company and the number of shares of New Mountain Finance Common Stock authorized for issuance by New Mountain Finance. Any Units repurchased by, or otherwise transferred to, the Company and cancelled by the Company shall thereafter not be available or authorized to be subsequently issued by the Company. Subject to Section 10.2, in the event that the Company issues an additional class of Units other than Common Membership Units, the Board shall make such revisions to this Agreement (including, but not limited to, the revisions described in Section 5.6 and Section 6.5), as it deems necessary to reflect the issuance of such additional Units.

(b) Register. Schedule A shall be the register of ownership of all Interests in the Company (including any outstanding Units) as provided in this Section and shall be the definitive record of ownership of all Interests in the Company (including any outstanding Units) and all relevant information with respect to each Member. Units shall be uncertificated and recorded in the books and records of the Company.

(c) Common Membership Units. The Common Membership Units shall consist of equal units (and may be issued in fractional units). The Common Membership Units shall have the rights and obligations set forth herein including being entitled to share in distributions and allocations as provided in Sections 5.5, 6.2, 6.3, 6.4 and 7.3, and as otherwise provided in this Agreement.

(d) Splits, Distributions and Reclassifications. Effective as of the date of this Agreement, all of the authorized and issued Units held by Guardian AIV and Guardian Partners shall be deemed to be reclassified, converted into and exchanged for Common Membership Units as set forth on Schedule A hereto. Other than

as set forth in the immediately preceding sentence, neither the Company nor New Mountain Finance shall in any manner divide (by any split, distribution, reclassification, recapitalization or otherwise) or combine (by reverse split, reclassification, recapitalization or otherwise) any class or series of the outstanding Units or New Mountain Finance Securities (including, but not limited to, New Mountain Finance Common Stock) (an "**Adjustment Event**") unless an identical Adjustment Event is occurring with respect

to the corresponding class or series of Units or New Mountain Finance Securities, in which event, the Company and New Mountain Finance shall cause such class or series of Units or New Mountain Finance Securities to be divided or combined concurrently with and in the same manner as the corresponding class or series of Units or New Mountain Finance Securities subject to such Adjustment Event. Any Adjustment Event pursuant to this Section 3.3(d) resulting in a distribution to holders of a class of New Mountain Finance Securities must include an economically equivalent distribution to holders of the corresponding class or series of Units. In the event of a partial reclassification or a series of multiple transactions (whether related or not) whereby holders of a class of New Mountain Finance Securities receive or are entitled to receive more than a single type of consideration (determined based upon any form of stockholder election as applicable), New Mountain Finance and the Company shall cause holders of the corresponding class or series of Units to have the right, in the holder's sole discretion, to elect the type of consideration (in the same manner, and at the same time, as any such form of election available to such holders of New Mountain Finance Securities). Notwithstanding the foregoing, nothing in this Section 3.3(d) shall modify, alter or supersede the provisions of Section 10.2 of this Agreement or any other provision of this Agreement requiring the consent or approval of any Member to authorize or approve any transaction or event described in this Section 3.3(d).

(e) Issuances of New Mountain Finance Securities; Mergers, Consolidation, Etc.

(i) At any time New Mountain Finance issues any New Mountain Finance Securities, other than pursuant toSections 7.4 and 9.1 of this Agreement, the Company shall issue to New Mountain Finance (x) in the case of an issuance of shares of New Mountain Finance Common Stock, including any New Mountain Finance Stock Offering and issuances of shares of New Mountain Finance Common Stock pursuant to the Dividend Reinvestment Plan, an equal number of Common Membership Units, registered in the name of New Mountain Finance or (y) in the case of an issuance of any other New Mountain Finance Securities of any other class, type or kind, an equal number of corresponding Company Interests with designations, preferences and other rights, terms and conditions (other than financial covenants applicable to New Mountain Finance or its Subsidiaries) that are substantially the same as the designations, preferences and other rights, terms and conditions of the corresponding New Mountain Finance Securities, registered in the name of New Mountain Finance. Distributions used by the plan administrator of the Dividend Reinvestment Plan to purchase New Mountain Finance Common Stock on the open market pursuant to the Dividend Reinvestment Plan shall not be considered to be received by New Mountain Finance for the purposes of this Section 3.3(e)(i) and, as a result, shall not require any additional issuance of Common Membership Units.

(ii) In the event of (A) any consolidation or merger or combination to which New Mountain Finance is a party (other than a merger in which New Mountain Finance is the continuing corporation and which does not result in any reclassification of, or change (other than in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination) in the number of, outstanding shares of New Mountain Finance Common Stock) or (B) any sale, Transfer or other disposition of all or substantially all of the assets of New Mountain Finance, directly or indirectly, to any Person, as a result of which holders of New Mountain Finance Common Stock shall be entitled to receive either stock,

securities or other property or assets (including cash) as consideration with respect to or in exchange for New Mountain Finance Common Stock, then New Mountain Finance shall take all necessary action such that the Common Membership Units then outstanding and held by Non-NMF Members shall be exchangeable on a per-Common Membership Unit basis at any time or from time to time following such event at the option of each Non-NMF Member into the kind and amount of shares of stock and/or other securities and property (including cash) that would have been receivable by such Non-NMF Members upon such consolidation, merger, sale, Transfer or other disposition had the Non-NMF Members held an equivalent amount of New Mountain Finance Common Stock (equal to the number of Common Membership Units held by such Non-NMF Members) immediately prior to the record date for such reclassification, change, combination, consolidation, merger, sale, Transfer or other disposition. If the holders of New Mountain Finance Common Stock, upon the occurrence of any event set forth in (A) or (B) of this clause (ii), shall be entitled to receive more than a single type of consideration for such shares of New Mountain Finance Common Stock (including cash, stock or other securities), then New Mountain Finance shall take all necessary action such that Common Membership Units held by the Non-NMF Members shall be exchangeable at any time or from time to time following such event at the option of the Non-NMF Member on a per-Common Membership Unit basis (as prescribed in the foregoing sentence) into the types of consideration available to, and consistent with the per share exchange ratio applicable to, holders of New Mountain Finance Common Stock at the occurrence of such event; provided, that, if pursuant to such event, holders of New Mountain Finance Common Stock receive or are entitled to receive more than a single type of consideration determined based, in whole or in part, upon any form of stockholder election, the Non-NMF Members shall have the right to elect the type of security that such Non-NMF Member shall be entitled to receive under this clause (ii) in a manner substantially similar to, and at the same time of, the election available to such holders of New Mountain Finance Common Stock. If pursuant to the provision set forth in the foregoing sentence, holders of New Mountain Finance Common Stock are entitled to receive cash, in addition to other type(s) of consideration, the Non-NMF Member shall have the right, in its sole discretion to exchange all or any portion of such Non-NMF Member's Common Membership Units for cash only. In the event that following the occurrence of any event set forth in (A) or (B) of this clause (ii) there is any concentrative or dilutive action taken by the successor entity to New Mountain Finance (including, without limitation, any dividend paid by such successor entity without a commensurate distribution to the Non-NMF Members of the Company), the ratio by which Common Membership Units are exchangeable into stocks or securities pursuant to this Section 3.3(e)(ii) shall be appropriately adjusted to reflect consideration received by holders of such stock or securities and not received by the Non-NMF Members holding Common Membership Units which would have been received had such Common Membership Units been exchanged into such stock or securities immediately prior to the record date for such event.

(f) Cancellation of Securities and Units.

(i) New Mountain Finance shall not undertake any redemption, repurchase, acquisition, exchange, cancellation or termination of any share of New Mountain Finance Common Stock that is not accompanied by a substantially contemporaneous prior (including economically equivalent consideration paid) redemption, repurchase, acquisition, cancellation or termination of Common Membership Units registered in the name of New Mountain Finance in order to maintain a one-to-one ratio between the number of Common

Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock issued and outstanding and not held in treasury, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Common Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock issued and outstanding and not held in treasury. Schedule A shall be revised by the Company to reflect any such redemption, repurchase, acquisition, cancellation or termination.

(ii) New Mountain Finance shall not undertake any redemption, repurchase, acquisition, incurrence, repayment, exchange, cancellation or termination of any New Mountain Finance Securities (other than shares of New Mountain Finance Common Stock that are subject to subsection (f)(i) above), that is not accompanied by a substantially contemporaneous prior (including economically equivalent consideration paid) redemption, repurchase, acquisition, incurrence, repayment,

exchange, cancellation or termination of the corresponding Company Interest in order to maintain a one-to-one ratio between the number of applicable Company Interests and the number of corresponding New Mountain Finance Securities, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Company Interests and the number of corresponding New Mountain Finance Securities. Schedule A shall be revised by the Company to reflect any such redemption, repurchase, acquisition, incurrence, repayment, exchange, cancellation or termination.

(g) One-to-One Ratio of Units/Interests held by New Mountain Finance and New Mountain Finance Securities. The intent of this Agreement, including this Section 3.3, Section 3.4 and Section 5.2, is to ensure, among other things, that a one-to-one ratio is at all times maintained between (A) the number of Common Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock outstanding and (B) the number of Company Interests held by New Mountain Finance of each type or kind issued and the number of corresponding New Mountain Finance Securities (of such type or kind issued) outstanding, and such provisions shall be interpreted consistently with such intent. The Company and New Mountain Finance must take all necessary action in order to maintain the one-to-one ratio if in the future New Mountain Finance determines to issue options or other types of equity compensation to individuals that provide services to the Company, to the extent it is permitted to do so under the Investment Company Act.

(h) Notice. New Mountain Finance shall give written notice thereof to all holders of Units (based on the ledger of ownership of the Company) at least twenty (20) days prior to (i) the date on which New Mountain Finance sets a record date for determining rights in connection with a (x) merger, tender offer, reorganization, recapitalization, reclassification or other change in the capital structure of New Mountain Finance (y) any transaction identified in Section 3.3(e) or (z) any Adjustment Event pursuant to this Section 3.3(d) and (ii) if no such record date is set, the date of such foregoing event.

(i) Transfer. Upon any Transfer permitted under this Agreement, Schedule A shall be revised by the Company to reflect (i) the number, type and kind of Units being Transferred by the Transferring Member, (ii) the number, type and kind of Units Transferred to the transferee and (iii) the remaining number, type and kind of Units held by the Transferring Member.

3.4 Authorization and Issuance of Additional Units. The Company shall only be permitted to issue additional Units or other Equity Interests in the Company to the Persons and on the terms and conditions provided for in Section 3.3, this Section 3.4 and Section 5.2. Except as otherwise provided in this Agreement or as otherwise required by the Investment Company Act, the Board may cause the Company to issue additional Units authorized under this Agreement at such times and upon such terms as the Board shall determine. This Agreement shall be amended as necessary in connection with (a) the issuance of additional Units and Company Interests and (b) the admission of additional Members under this Agreement, each in accordance with the requirements of Section 10.2 of this Agreement.

ARTICLE 4
MANAGEMENT AND OPERATIONS

4.1 Board.

(a) Generally. The business and affairs of the Company shall be managed by or under the direction of a Board of Directors (the "**Board**") consisting of such number of natural persons (each a "**Director**") as shall be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board; provided, however, that the number of Directors shall not be less than three (3) nor more than fifteen (15). Nominations of persons for election to the Board shall be made by or at the direction of the Board (or any duly authorized committee thereof); provided that the Board shall endeavor to nominate the same slate of director nominees for election by Members as New Mountain Finance nominates for election as directors of New Mountain Finance. Directors need not be Members. Subject to the other provisions of this Article IV, the Board shall have sole discretion to manage and control the business and affairs of the Company, including to delegate to agents, officers and employees of the Company, and to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, to exercise all of the powers of the Company set forth in Section 2.7 of this Agreement. Each person named as a Director herein or subsequently appointed as a Director is hereby designated as a "manager" (within the meaning of the LLC Act) of the Company. Except as otherwise provided in Section 2.1(c) and notwithstanding the last sentence of Section 18-402 of the LLC Act, no single Director may bind the Company, and the Board shall have the power to act only collectively in accordance with the provisions and in the manner specified herein. Each Director shall hold office until the annual meeting for the year in which such Director's term expires and until a successor is appointed in accordance with this Section 4.1 or until the earlier of such Director's death, resignation or removal in accordance with the provisions hereof. Notwithstanding any other provisions of this Agreement or the LLC Act, any action by the Board or the Company or any decision of the Board or the Company to refrain from acting, undertaken in the good faith belief that any such action or omission is necessary or advisable in order to (i) protect the ability of New Mountain Finance to continue to qualify as a Business Development Company and/or a Regulated Investment Company or (ii) prevent New Mountain Finance from incurring any taxes under Section 852, 4982 or any other provision of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Members.

(b) Classified Board. As of the IPO Date, the Directors shall be divided into three classes and designated Class I, Class II, and Class III. The Board may assign Directors

already in office immediately prior to the IPO Date to such classes. The initial term of the Class I Directors shall expire at the first annual meeting of Members to be held after the IPO Date, the initial term of the Class II Directors shall expire at the second annual meeting of Members to be held after the IPO Date, and the initial term of the Class III Directors shall expire at the third annual meeting of Members to be held after the IPO Date. Directors of each class shall hold office until their successors are duly elected and qualified or until such Director's earlier death, resignation or removal. At each annual meeting of Members following the IPO Date, the successors of the class of Directors whose term expires at that meeting shall be elected to hold office for a term expiring at the third succeeding annual meeting of Members after their election. No decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director.

(c) Current Directors. Subject to the right to increase or decrease the authorized number of Directors pursuant to the first sentence of Section 4.1(a), the Board shall consist of 5 Directors. The Class I Directors shall be Alfred F. Hurley, Jr., the Class II Directors shall be Robert Hamwee and David Ogens and the Class III Directors shall be Steven B. Klinsky and Kurt J. Wolfgruber.

(d) Meetings of the Board. The Board shall meet at such time as determined by a majority of the votes held by all Directors to discuss the business of the Company. The Board may hold meetings either within or without the State of Delaware. The Company and the Board shall give all Directors at least one day's notice of all meetings of the Board.

(e) Quorum and Acts of the Board. At all meetings of the Board, a quorum shall consist of not less than a number of Directors holding a majority of the votes held by all Directors. Except as otherwise expressly required by law or by this Agreement, the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. Each Director shall be entitled to one vote on each matter that comes before the Board. Any action that may be taken at a meeting of the Board or any committee thereof may also be taken by written consent of Directors holding a majority of the votes held by all Directors or members of the committee holding a majority of the votes held by all members of the committee in lieu of a meeting, other than any action of the Board pursuant to the Investment Company Act that requires the votes of members of the Board to be cast in person at a meeting.

(f) Electronic Communications. Directors, or members of any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting; provided, however, that this Section 4.1(f) does not apply to any action of the Board pursuant to the Investment Company Act that requires the votes of members of the Board to be cast in person at a meeting.

(g) Committees of Directors. The Board may, by resolution passed by a majority of the votes held by all Directors, designate one or more committees. Such resolution shall specify the duties, quorum requirements, number of votes and qualifications of each of the members of such committees, each such committee to consist of such number of Directors as the Board may fix from time to time; provided that the Board shall endeavor to comprise each of its respective committees with the same members as New Mountain Finance's respective

committees. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(h) Expenses. The Company shall pay the reasonable out-of-pocket expenses incurred by each Director in connection with performing his duties as a Director, including, without limitation, the reasonable out-of-pocket expenses incurred by such person for attending meetings of the Board or meetings of any board of directors or other similar managing body of any Subsidiary.

(i) Resignation. Any Director may resign at any time by giving written notice to the Company. The resignation of any Director shall take effect upon receipt of such notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation by the Company, the Members or the remaining Directors shall not be necessary to make it effective. Upon the effectiveness of any such resignation, such Director shall cease to be a "manager" (within the meaning of the LLC Act).

(j) Removal of Directors. Any Director may be removed from office at any time, at a meeting called for that purpose, but only for cause (as such term is used in Section 141(k) of the Delaware General Corporation Law) and only by the affirmative vote of the holders of at least seventy-five percent of the voting power of the Common Membership Units. Upon the taking of such action, the Director shall cease to be a "manager" (within the meaning of the LLC Act). Any vacancy caused by any such removal shall be filled in accordance with Section 4.1(k).

(k) Vacancies. Subject to the applicable requirements of the Investment Company Act, including Section 16 thereof, newly created directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board resulting from death, resignation, disqualification, removal from office or any other cause shall, unless otherwise required by law or provided by resolution of the Board, be filled only by majority vote of the Directors then in office, even if less than a quorum is then in office, or by the sole remaining Director, and shall not be filled by the Members. Directors so chosen to fill a newly created directorship or other vacancies shall serve for a term expiring at the annual meeting of Members at which the term of office of the class to which they have been chosen expires and shall hold office until such Director's successor has been duly elected and qualified or until his or her earlier death, resignation or removal as provided in this Agreement. If any vacancies shall occur in the Board, by reason of death, resignation, disqualification, removal from office or any other cause, the Directors then in office shall continue to act, and actions that would otherwise be required to be taken by a majority of the Directors may be taken by a majority of the Directors

then in office, even if less than a quorum and shall be fully as effective as if taken by a majority of the Directors.

4.2 Information Relating to the Company.

(a) In addition to any information required to be provided pursuant to Section 6.7 or Section 6.10, the Company shall supply to a Member as soon as reasonably practicable after written request therefor any information required to be available to the Members under the LLC Act and any other information reasonably requested by such Member regarding the Company or its activities (including copies of all books and accounts, documents and other information in order to enable such Member to monitor its investment in the Company, exercise its rights under this Agreement and such other information as may be reasonably required to enable such Member to account for its investment in the Company and otherwise comply with the requirements of applicable laws, GAAP, the generally accepted accounting principles or other accounting requirements of any Member and the requirements of any Government Authority), provided that obtaining the information requested is not unduly burdensome to the Company (it being understood that any information necessary for a Member to account for its investment in the Company under the generally accepted accounting principles or other accounting requirements applicable to such Member shall not be deemed unduly burdensome).

(b) During ordinary business hours, each Member and its authorized representative shall have access to all books, records and materials in the Company's offices regarding the Company or its activities.

(c) The Company shall notify a Member if the Company considers any information received pursuant to this Section 4.2 to be Confidential Information. Any such Confidential Information will be subject to the provisions of Section 10.4 of this Agreement.

4.3 Insurance. The Company shall maintain or cause to be maintained in force at all times, for the protection of the Company and the Members to the extent of their insurable interests, such insurance as the Board believes is warranted for the operations being conducted.

4.4 Officers.

(a) The Board may, from time to time, designate one or more Persons to fill one or more officer positions of the Company pursuant to the Administration Agreement or otherwise. Any officers so designated shall have such titles and authority and perform such duties as the Board may, from time to time, delegate to them. If the title given to a particular officer is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made to such officer, or restrictions placed thereon, by the Board. Each officer shall hold office until his or her successor is duly designated, until his or her death or until he or she resigns or is removed in the manner hereinafter provided. Any number of offices may be held by the same Person. The salaries or other compensation, if any, of the officers of the Company shall be fixed from time to time by the Board.

(b) Any officer of the Company may resign at any time by giving written notice thereof to the Board. Any officer may be removed, either with or without cause, by the Board whenever in its judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Designation of an officer shall not, by itself, create contract rights.

4.5 Certain Costs, Fees and Expenses. The Company shall pay, or cause to be paid, costs, fees, operating expenses and other expenses of the Company and New Mountain Finance (including, but not limited to, the costs, fees and expenses of attorneys, accountants or other professionals and the compensation of personnel providing services to the Company or New Mountain Finance, any underwriter's discount or other expenses paid or incurred in connection with the issuance of New Mountain Finance Securities and any claims for indemnification or advancement) incurred in pursuing and conducting, or otherwise related to, the business and activities, including intended business and activities, of the Company and New Mountain Finance, including (i) for any acquisitions, financing transactions or any other transactions, whether or not consummated, (ii) pursuant to the Administration Agreement and the Investment Management Agreement and (iii) pursuant to any indemnification agreements that the Company or New Mountain Finance may enter into from time to time.

4.6 Certain Duties and Obligations of the Members. To the fullest extent permitted by law, under no circumstance shall the Members constitute fiduciaries of any other Member or the Company, or owe any fiduciary or other duties or obligations to any other Member or the Company, whether express, implied or otherwise existing (but for this provision) by operation of law or application of legal or equitable principles, and any and all such duties and obligations, and any and all Claims and causes of action which may be based thereon, are hereby expressly waived and relinquished by the Members. Except as otherwise provided in this Agreement, no Member shall have any authority to act for, bind, commit or assume any obligation or responsibility on behalf of the Company, its properties or any other Member.

4.7 Limitation of Liability; Exculpation.

(a) No (i) Director or Member of the Company, nor any of their respective Subsidiaries or Affiliates nor (ii) any of their respective direct or indirect officers, directors, trustees, members, managers, partners, equity holders, employees or agents (each, a "**Representative**"), nor (iii) any of their heirs, executors, successors and assigns, shall be liable to the Company or any Member for any act or omission by such individual or entity in connection with the conduct of affairs of the Company or otherwise incurred in connection with the Company or this Agreement or the matters contemplated herein, in each case unless such act or omission was the result of gross negligence or willful misconduct or constitutes a breach of, or a failure to comply with this Agreement. Except as provided in the LLC Act, the Investment Company Act, this Agreement or as otherwise expressly agreed, in no event shall the Directors (or any former Director), by reason of his or her status as Director (or former Director), have any liability or responsibility for (i) any Indebtedness, duties, Liabilities or any other obligations of the Company, any other Member or former Member or any other Director or former Director, (ii) the repayment of any Capital Contribution of any Member (other than himself) or (iii) any act or omission of any other Member (or former Member) or any other Director (or former Director). To the extent any portion of this Section 4.7 directly conflicts with any of the Transaction

Documents, other than this Agreement, such other Transaction Document shall control with respect to the matters set forth therein.

(b) Notwithstanding any other provision of this Agreement or other applicable provision of law or equity, whenever in this Agreement a Member, Director or officer of the Company is permitted or required to make a decision (i) in its "sole discretion," or under a grant of similar authority or latitude, such Member, Director or officer shall be entitled to consider only such interests and factors as it desires and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Company or the Members, or (ii) in its "good faith" or under another expressed standard, such Member, Director or officer shall act under such express standard and shall not be subject to any other or different standards.

(c) Any Member, Liquidator, Director or officer of the Company may consult with legal counsel and accountants selected by it at its expense or with legal counsel and accountants for the Company at the Company's expense. Each Member, Liquidator, Director and officer of the Company shall be fully protected in relying in good faith upon the records of the Company and upon information, opinions, reports, or statements presented by another Member, Liquidator, Director or officer, or employee of the Company, or committees of the Board, Liquidator or the Company, or by any other Person (including, without limitation, legal counsel and public accountants) as to matters that the Member, Liquidator, Director or officer reasonably believes are within such other Person's professional or expert competence, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, Net Income or Net Losses of the Company, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the Company or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to Members or creditors might properly be paid.

4.8 Indemnification.

(a) Indemnification Rights. Each Person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that he is or was a Director or officer of the Company or is or was serving at the request of the Company as a director or officer of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including, without limitation, service with respect to an employee benefit plan (hereinafter, an "**Indemnitee**"), whether the basis of such proceeding is alleged action in an official capacity as a Director or officer or in any other capacity while so serving, shall be indemnified and held harmless by the Company to the full extent permitted by the LLC Act and the Investment Company Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), or by other applicable law as then in effect, against all expense, liability and loss (including, without limitation, attorneys' fees, costs and charges, judgments, fines, excise taxes or penalties under ERISA, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such Indemnitee in

connection therewith; *provided, however*, that except as provided in Section 4.8(c) with respect to proceedings to enforce rights to indemnification and advancement, the Company shall indemnify any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board. Notwithstanding anything to the contrary in this Section 4.8(a) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, the Company shall not indemnify an Indemnitee to the extent such indemnification would violate the Investment Company Act.

(b) Advances for Expenses. Expenses (including, without limitation, attorneys' fees, costs and charges) incurred by an Indemnitee in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of an Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such Indemnitee is not entitled to be indemnified by the Company as authorized in this Section 4.8; *provided, however*, that except as provided in Section 4.8(c) with respect to proceedings to enforce rights to indemnification and advancement, the Company shall advance expenses of any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board. The Board may, upon approval of such Indemnitee, authorize the Company's counsel to represent such person in any proceeding, whether or not the Company is a party to such proceeding. Notwithstanding anything to the contrary in this Section 4.8(b) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, the Company shall not advance an Indemnitee any expenses to the extent such advancement would violate the Investment Company Act.

(c) Procedure for Indemnification and Advancement. Any indemnification or advance of expenses (including, without limitation, attorney's fees,

costs and charges) under this Section 4.8 shall be made promptly, and in any event within sixty (60) days, or, in the case of a claim for an advancement of expenses, within twenty (20) days, upon the written request of an Indemnitee (and, in the case of advance of expenses, receipt of a written undertaking by or on behalf of such Indemnitee to repay such amount if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified therefor pursuant to the terms of this Section 4.8). The right to indemnification or advances as granted by this Section 4.8 shall be enforceable by such Indemnitee in any court of competent jurisdiction, if the Company denies such request, in whole or in part, or if no disposition thereof is made within sixty (60) days (or twenty (20) days with respect to advancement of expenses). To the full extent permitted by law, such Indemnitee's costs and expenses incurred in connection with successfully establishing his or her right to indemnification or advancement, in whole or in part, in any such action shall also be indemnified by the Company. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses (including, without limitation, attorney's fees, costs and charges) under this Section 4.8 where the required undertaking, if any, has been received by the Company) that the claimant has not met the standard of conduct set forth in the LLC Act, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), but the burden of proving such defense shall be on the Company. Neither the

failure of the Company (including its Directors who are not parties to such action, a committee of such Directors, independent legal counsel or the Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the LLC Act, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), nor the fact that there has been an actual determination by the Company (including its Directors who are not parties to such action, a committee of such Directors, independent legal counsel or the Members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. Notwithstanding anything to the contrary in this Section 4.8(c) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, any advancement of expenses pursuant to this Section 4.8 shall be subject to at least one of the following as a condition of the advancement: (a) the Indemnitee shall provide a security for his or her undertaking, (b) the Company shall be insured against losses arising by reason of any lawful advances or (c) (i) a majority of Directors of the Company who are and were not a party to the proceeding in respect of which advancement or indemnification is being sought or (ii) Independent Counsel (as defined below), in a written opinion, shall determine based on a review of readily available facts (as opposed to a full-trial-type inquiry), that there is reason to believe that the Indemnitee ultimately will be found entitled to indemnification.

For purposes of the paragraph above, "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to or witness in the proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine such Indemnitee's rights hereunder.

(d) Other Rights; Continuation of Right to Indemnification. The indemnification and advancement of expenses provided by this Section 4.8 shall not be deemed exclusive of any other rights to which a Person seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement, vote of Members or Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Company, and shall continue as to a person who has ceased to be a Director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification or advancement under this Section 4.8 shall be deemed to be a contract between the Company and each Indemnitee. Any repeal or modification of this Section 4.8 or any repeal or modification of relevant provisions of the LLC Act or any other applicable laws shall not in any way diminish any rights to indemnification of such Indemnitee or the obligations of the Company arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such repeal or modification.

(e) Assets of the Company. Any indemnification under this Section 4.8 shall be satisfied solely out of the assets of the Company, and no Member shall be subject to personal liability or required to fund or cause to be funded any obligation by reason of these indemnification provisions.

(f) Insurance. The Company shall have power to purchase and maintain insurance on behalf of any Person who is or was or has agreed to become a Director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (including, without limitation, with respect to an employee benefit plan), against any liability asserted against the Person and incurred by the Person or on the Person's behalf in any such capacity, or arising out of the Person's status as such, whether or not the Company would have the power to indemnify the Person against such liability under the provisions of this Section 4.8 or the LLC Act; *provided, however*, that such insurance is available on acceptable terms, which determination shall be made by a vote of a majority of the Board.

(g) Indemnification of Employees and Agents of the Company. The Company may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Company to the full extent of the provisions of this Section 4.8 with respect to the indemnification and advancement of expenses of Directors and officers of the Company.

(h) Savings Clause. If this Section 4.8 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless provide indemnification and advancement to each Indemnitee entitled to such indemnification and advancement pursuant to Sections 4.8(a) and (b) to the full extent permitted by any applicable portion of this Section 4.8 that shall not have been invalidated and to the full extent permitted by applicable law.

4.9 Title to Assets; Liens. Unless specifically licensed or leased to the Company, title to the assets of the Company, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Members, individually or collectively, shall have any ownership interest in such assets or any portion thereof or any right of partition. The Company shall be permitted to create, incur, assume or permit to exist Liens on any assets (including Equity Interests or other securities of any Person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof.

4.10 New Mountain Finance Conduct of Business Only Through the Company. Except as provided in this Agreement, or as may be otherwise provided in any written agreement by and among the Members, New Mountain Finance shall not directly or indirectly engage in or conduct any business or venture (whether or not operated through a separate legal entity or as part of a larger corporation or other entity), other than (i) any business or venture that is held in, or conducted through, the Company or (ii) any business or venture entered into in connection with (x) the acquisition, ownership or disposition of its Common Membership Units, (y) New Mountain Finance's operation as a public reporting company with a class of securities registered under the Exchange Act and (z) such other activities that are incidental to the foregoing. The

requirements of this Section 4.10 shall apply to New Mountain Finance so long as New Mountain Finance, including any successor, is a Member of the Company.

4.11 Credit Agreement Covenants. (a) So long as the Credit Agreement shall remain in effect, the Company shall comply with the covenants listed on Schedule B hereto; provided, however, if compliance with any of the covenants, representations or warranties in the Credit Agreement are waived pursuant to the terms of the Credit Agreement, compliance with the analogous covenant listed on Schedule B shall likewise be waived as specified in the Credit Agreement waiver.

(b) In the event the Credit Agreement is terminated or expires by its terms, the provisions of this Section 4.12 shall be deemed deleted and shall have no further force or effect, and the Company shall no longer be required to comply therewith.

(c) The Board may amend Schedule B from time to time by resolution adopted by affirmative vote of a majority of the entire Board solely to conform in substance the provisions of Schedule B to the Credit Agreement.

ARTICLE 5
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

5.1 Capital Contributions.

(a) Except as set forth in this Agreement or any other Transaction Document, no Member shall be required or permitted to make any other capital contribution to, or provide credit support for, the Company.

(b) No Member shall be entitled to withdraw, or demand the return of, any part of its Capital Contributions or Capital Account. No Member shall be entitled to interest on or with respect to any Capital Contribution or Capital Account.

(c) Except as otherwise provided in this Agreement, no Person shall have any preemptive, preferential or similar right to subscribe for or to acquire any Units.

5.2 Contribution of Proceeds of Issuance of Securities by New Mountain Finance.

(a) (i) On the date of the completion of the Initial Public Offering and the Concurrent Offering, New Mountain Finance shall contribute to the Company the gross proceeds of the Initial Public Offering and the Concurrent Offering in exchange for Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance in the Initial Public Offering and the Concurrent Offering; (ii) in the event the Underwriters of the Initial Public Offering exercise the Over-Allotment Option, New Mountain Finance shall contribute to the Company the gross proceeds received upon the exercise of the Over-Allotment Option in exchange for Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance pursuant to the Over-Allotment Option; and (iii) in connection with any other New Mountain Finance Stock Offering, New Mountain Finance shall contribute to the Company any gross proceeds raised in

connection with such issuance in exchange for Common Membership Units or Company Interests pursuant to Section 3.3(e)(i).

(b) If the Company issues Common Membership Units or other Company Interests to New Mountain Finance pursuant to Section 3.3(e)(i) other than in connection with a New Mountain Finance Stock Offering, New Mountain Finance shall contribute to the Company (i) the proceeds, if any and as determined in the reasonable judgment of the Board, whether in cash or other property, received by New Mountain Finance with respect to the issuance of New Mountain Finance Securities no later than the close of business on the Business Day following the receipt of any such proceeds by New Mountain Finance and (ii) any reinvested distributions, if any and as determined in the reasonable judgment of the Board, whether in cash or other property, received by New Mountain Finance pursuant to the Dividend Reinvestment Plan no later than the close of business on the Business Day following the dividend payment date associated with such distributions by New Mountain Finance.

5.3 Loans from Members. Loans by Members to the Company shall not be considered contributions to the capital of the Company hereunder. If any Member shall advance funds to the Company in excess of the amounts required to be contributed to the capital of the Company, the making of such advances shall not result in any increase in the amount of the Capital Account of such Member and shall be payable or collectible in accordance with the terms and conditions upon which advances are made; provided that the terms of any such loan shall not be less favorable to the Company, taken as a whole, than would be available to the Company from unrelated lenders and such loan shall be approved by the Board.

5.4 Loans from Third Parties. The Company and its Subsidiaries may incur Indebtedness, or enter into other similar credit, guarantee, surety, financing or refinancing arrangements for any purpose with any Person upon such terms as the Board determines appropriate, including to guarantee or provide other credit support arrangements for the benefit of its Subsidiaries or New Mountain Finance; provided that neither the Company nor any of its Subsidiaries shall incur any Indebtedness that is recourse to any Member, except to the extent otherwise agreed to in writing by the applicable Member in its sole discretion.

5.5 Distributions. All distributions made by the Company shall be made in accordance with this Section 5.5.

(a) Distributions of cash from the Company shall be made by the Board, in its sole discretion, at such times as the Board shall determine from time to time, to the Members holding Common Membership Units, pro rata in accordance with their Percentage Interests. It is intended that distributions made by the Company will be made in such amounts as shall enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a Regulated Investment Company. The Board shall make such reasonable efforts, as determined by it in its sole discretion and consistent with New Mountain Finance's qualification as a Regulated Investment Company, to cause the Company to distribute sufficient amounts to enable New Mountain Finance, for so long as New Mountain Finance has determined to qualify as a Regulated Investment Company, to pay stockholder dividends that will allow New Mountain Finance to (a) satisfy the requirements for New Mountain Finance's qualification as a Regulated Investment Company under the Code and Regulations and (b) except to the extent

otherwise consented to in writing by New Mountain Finance, avoid any federal income or excise tax imposed on New Mountain Finance under the Code.

(b) Liquidating Distributions. All distributions to the Members made in connection with the sale, exchange or other disposition of all or substantially all of the Company's assets, or with respect to the winding up and liquidation of the Company, shall be made among the Members holding Common Membership Units pro rata in accordance with their respective positive Capital Account balances. Any in-kind distribution of assets of the Company in connection with a winding up and liquidation of the Company or a deemed liquidation of the Company by reason of a termination of the Company pursuant to Section 708(b)(1)(A) of the Code will be made among the Members holding Common Membership Units pro rata on a gross basis with respect to each such asset in accordance with the Members' respective positive Capital Account balances.

(c) Limitations on Distributions. Notwithstanding anything in this Agreement to the contrary, no distribution shall be made in violation of the LLC Act.

(d) Exculpation. The Members hereby consent and agree that, to the fullest extent permitted by applicable law, (i) no Member shall have any obligation to return amounts distributed to such Member by the Company notwithstanding the fact that such amounts were distributed in violation of Section 18-607 or Section 18-804 of the LLC Act or other applicable law and (ii) the provisions of this Section 5.5(d) are intended to be a compromise under Section 18-502(b) of the LLC Act.

5.6 Revisions to Reflect Issuance of Additional Units. Subject to Section 10.2, in the event that the Company issues an additional class of Units other than Common Membership Units pursuant to Article 3 of this Agreement, the Board shall make such revisions to this Agreement, including this Article 5, as it reasonably deems necessary to reflect the issuance of such additional Units.

ARTICLE 6
BOOKS AND RECORDS; TAX; CAPITAL ACCOUNTS; ALLOCATIONS

6.1 General Accounting Matters.

(a) The Board shall keep, or cause to be kept, books and records pertaining to the Company's business showing all of its assets and liabilities, receipts and disbursements, Net Income and Net Losses, Members' Capital Accounts and all transactions entered into by the Company. Such books and records of the Company shall be kept at the office of the Company or at the office of a party authorized by an officer of the Company to keep such books and records, and, subject to the confidentiality provisions of this Agreement, the Members and their representatives shall at all reasonable times have free access thereto for the purpose of inspecting or copying the same.

(b) The Company's books of account shall be kept on an accrual basis in accordance with GAAP or as otherwise provided by the Board, except that for U.S. federal, state and local income tax purposes such books shall be kept in accordance with applicable tax accounting principles.

6.2 Capital Accounts.

(a) The Company shall maintain for each Member on the books of the Company a capital account (a "**Capital Account**"). Each Member's Capital Account shall be maintained in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv) and the provisions of this Agreement.

(b) (i) The Capital Account of each Member shall be credited with the amount of all Capital Contributions by such Member to the Company. The Capital Account of each Member shall be increased by (1) the amount of any Net Income (or items of gross income or gain) allocated to such Member pursuant to this Article 6 and (2) the amount of any liabilities of the Company that are assumed by such Member (except for liabilities described in Section 6.2(b)(ii)(3) that are assumed by such Member) for purposes of Treasury Regulations section 1.704-1(b)(2)(iv)(c).

(ii) The Capital Account of each Member shall be decreased by (1) the amount of any Net Losses (or items of loss or deduction) allocated to such Member pursuant to this Article 6, (2) the amount of any cash distributed to such Member, (3) the fair market value of any asset distributed in kind to such Member (net of all liabilities that such Member is considered to assume or take the asset subject to) and (4) the amount of any liabilities of such Member that are assumed by the Company (except for liabilities described in the definition of Capital Contribution that are assumed by the Company) for purposes of Treasury regulations section 1.704-1(b)(2)(iv)(c).

(iii) The Capital Account of each Member also shall be adjusted appropriately to reflect any other adjustment required pursuant to Treasury Regulations Section 1.704-1 or 1.704-2.

(c) Allocations of Net Income or Net Losses to the Capital Accounts pursuant to Section 6.2(b) shall be made at the end of each Fiscal Quarter, at such times as the Carrying Value of Company assets is adjusted pursuant to the definition thereof and at such other times as required by this Agreement. Net Income and Net Losses shall be allocated to the Members pro-rata in accordance with their respective Percentage Interests. An allocation to a Member of a share of Net Profit or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Profit or Net Loss. It is the intent of the Members that the allocations of Net Income or Net Losses under this Agreement have substantial economic effect (or be consistent with the Members' interests in the Company) within the meaning of Section 704(b) of the Code as interpreted by the Treasury regulations promulgated thereto. Article 6 and other relevant provisions of this Agreement shall be interpreted in a manner consistent with such intent.

(d) In the event that any Unit or Interest in the Company is Transferred, including the Transfer of Common Membership Units from Guardian Partners to New Mountain Finance, the Transfer of Common Membership Units from Guardian AIV to AIV Holdings and the Transfer of Common Membership Units from AIV Holdings to New Mountain Finance pursuant to Section 7.4 or Article 9 hereof, (i) the transferee of such Unit or Interest shall succeed to the pro rata portion of the transferor's Capital Account attributable to such Unit or Interest, and (ii) Net Income or Net Losses allocable among the Members during the fiscal year

of the Company in which such Transfer occurs shall be allocated between the transferor and the transferee Member either (x) as if the Company's fiscal year had ended on the date of the transfer, or (y) based on the number of days of such fiscal year that each was a Member without regard to the results of Company activities in the respective portions of such fiscal year in which the transferor and the transferee were Members, as determined by the Board.

6.3 Allocations of Net Income and Net Losses for U.S. Federal Income Tax Purposes

(a) Except as otherwise provided in Section 6.3(b), for U.S. federal income tax purposes, each item of income, gain, loss, deduction and credit of the Company for each taxable year of the Company shall be allocated among the Members in the same manner as its corresponding item of "book" income, gain, loss, deduction and credit is allocated pursuant to Section 6.2(c).

(b) In accordance with Sections 704(b) and 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any Company asset contributed (or deemed contributed) to the capital of the Company shall, solely for U.S. federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of such Company asset for U.S. federal income tax purposes and its Carrying Value upon its contribution (or deemed contribution). If the Carrying Value of any Company asset is adjusted, subsequent allocations of taxable income, gain, loss and deduction with respect to such Company asset shall take account of any variation between the adjusted basis of such Company asset for U.S. federal income tax purposes and the Carrying Value of such Company asset in the manner prescribed under Sections 704(b) and 704(c) of the Code and the Treasury Regulations thereunder. The Board shall select the manner by which variations between Carrying Value and adjusted basis of the Company's assets are taken into account in accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations thereunder.

6.4 Excess Nonrecourse Liabilities. If the built-in gain in Company assets subject to Nonrecourse Debts exceeds the gain described in Treasury Regulations Section 1.752-3(a)(2), the Excess Nonrecourse Liabilities shall be allocated (i) first, to AIV Holdings up to the amount of built-in gain that is allocable to AIV Holdings on Section 704(c) Property, (ii) second, among the Members other than AIV Holdings up to the amount of built-in gain that is allocable to such other Members on Section 704(c) Property and (iii) last, any remaining Excess Nonrecourse Liabilities shall be allocated among the Members pro rata in accordance with their relative

Percentage Interests.

6.5 Revisions to Allocations to Reflect Issuance. In the event that the Company issues additional classes of Units to the Members pursuant to Article 3 of this Agreement, the Board shall, subject to Section 10.2, make such revisions to this Article 6 as it reasonably deems necessary to reflect the terms of the issuance of such additional class of Units, including making preferential allocations to classes of Units that are entitled thereto.

6.6 Payments of Certain Expenses. If and to the extent that payments of certain expenses by the Company constitute gross income of New Mountain Finance by reason of being treated as payments of expenses of New Mountain Finance, such amounts will constitute

guaranteed payments within the meaning of Section 707(c) of the Code, will be treated consistently therewith by the Company and all Members, and will not be treated as distributions for purposes of computing the Members' Capital Accounts.

6.7 Certain Tax Matters.

(a) The "tax matters partner" for purposes of Section 6231(a)(7) of the Code shall be New Mountain Finance (the "**Tax Matters Member**"). The Tax Matters Member shall have all the rights, duties, powers and obligations provided for in Sections 6221 through 6232 of the Code with respect to the Company. The Tax Matters Member shall inform each other Member of all significant matters that may come to its attention in its capacity as such by giving notice thereof within ten (10) days after becoming aware thereof and, within such time, shall forward to each other Member copies of all significant written communications it may receive in such capacity. This provision is not intended to authorize the Tax Matters Member to take any action left to the determination of an individual Member under Sections 6222 through 6231 of the Code.

(b) The Tax Matters Member shall not initiate any action or proceeding in any court, extend any statute of limitations, or take any other action in its capacity as Tax Matters Member, which it knows, has reason to know, or would reasonably be expected to know, would or would reasonably be expected to have a significant adverse effect on AIV Holdings, as a Member of the Company, Guardian AIV or Guardian AIV's partners, without approval of the AIV Holdings Member, which approval may not be unreasonably withheld; provided, however, that, for this purpose, it shall not be unreasonable for the AIV Holdings Member to withhold such approval if the action proposed to be taken could significantly adversely effect such Member, Guardian AIV or Guardian AIV's partners. The AIV Holdings Member may alert the Tax Matters Member as to any actions that would have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners.

(c) The Board shall timely cause to be prepared all U.S. federal, state, local and foreign tax returns and reports (including amended returns) of the Company and its Subsidiaries for each year or period that such returns or reports are required to be filed and, subject to the remainder of this subsection, shall cause such tax returns to be timely filed. No later than thirty (30) days prior to filing of all income and franchise tax returns of the Company, the Board shall have provided copies of all such tax returns to the other Members for review. The AIV Holdings Members shall be entitled to provide reasonable comments on such returns to the Board no later than fifteen (15) days after receiving copies of such returns, and the Board shall consider in good faith all such comments. If the Board does not incorporate any comment made by any AIV Holdings Member in accordance with the foregoing sentence, at the request of such AIV Holdings Member the Board shall provide any information necessary for such AIV Holdings Member to properly file its U.S. federal, state, local, and foreign tax returns and reports (including amended returns and information returns) and any disclosure required in connection with the filing of such returns or reports in a manner consistent with such comment.

(d) Within ninety (90) days after the end of each Fiscal Year, or as soon as reasonably practical thereafter, the Board shall prepare and send, or cause to be prepared and sent, to each Person who was a Member at any time during such Fiscal Year copies of such information as may be required for U.S. federal, state, local and foreign income tax reporting

purposes, including copies of Form 1065 and Schedule K-1 or any successor form or schedule, for such Person. At any time after such information has been provided, upon at least five (5) business days' notice from a Member, the Board shall also provide each Member with a reasonable opportunity during ordinary business hours to review and make copies of all workpapers related to such information or to any return prepared under paragraph (c) above. As soon as practicable following the end of each quarter (and in any event not later than thirty (30) days after the end of such quarter), the Board shall also cause to be provided to each Member an estimate of each Member's share of all items of income, gain, loss, deduction and credit of the Company for the quarter just completed and for the Fiscal Year to date for federal income tax purposes.

(e) The Company intends to be treated as a partnership for U.S. federal, state and local income tax purposes for so long as the Company has more than one Member and intends to be treated as a disregarded entity for such purposes for so long as the Company has a single Member, and the Company shall not take any action or make any election so as to cause the Company to fail to be treated as a partnership or a disregarded entity (as applicable) for U.S. federal, state and local income tax purposes unless such action or election shall have been approved by the Board.

(f) The Company shall elect, pursuant to Section 754 of the Code, to adjust the basis of the Company's property, with respect to its U.S. federal income tax return for the taxable year in which the Guardian Partners Merger occurs and any taxable year following a termination of the Company pursuant to Section 708(b)(1)(B) of the Code, and the Company shall cause such election to remain or be in effect for every taxable year of the Company thereafter during which the Company is treated as a partnership for U.S. federal income tax purposes. The Company shall make such election with respect to all Subsidiaries of the Company that are treated as partnerships for U.S. federal income tax purposes in the same year the Company makes such election and if any Subsidiary of the Company is treated as a partnership for U.S. federal income tax purposes in a subsequent taxable year, the Company shall cause such election to be made in such year.

(g) Except as otherwise provided herein, all other elections required or permitted to be made by the Company under the Code (or applicable foreign, state or local law), including elections with respect to any subsidiary of the Company, shall be made as may be determined by the Board and all decisions and positions taken with respect to the Company's or any Subsidiary's taxable income or tax loss (or items thereof) under the Code or other applicable tax law shall be made in such manner as may be reasonably determined by the Board. Notwithstanding the foregoing, the Board shall not make any other election for U.S. federal, state or local income tax purposes or for franchise tax purposes and shall not make any decision or take any position with respect to allocations of taxable income, if the Board knows or has reason to know, or would reasonably be expected to know that such election, decision, or position would, or would reasonably be expected to adversely affect New Mountain Finance's status as a Regulated Investment Company or have a significant adverse effect on AIV Holdings, Guardian AIV or its partners and a greater negative impact proportionally on the amount of taxable inclusions incurred by AIV Holdings with respect to income allocated to it by the Company than if such election, decision, or position had not been made or taken. The AIV Holdings Member

may alert the Board as to any election, decision, or position that would have a significant adverse effect on AIV Holdings, Guardian AIV or its partners.

6.8 Tax Year. The taxable year of the Company shall be the same as its Fiscal Year.

6.9 **Withholding Requirements**. Notwithstanding any provision herein to the contrary, the Board is authorized to take any and all actions that it determines to be necessary or appropriate to ensure that the Company satisfies any and all withholding and tax payment obligations under Sections 1441, 1445, 1446 or any other provision of the Code or other applicable law. Without limiting the generality of the foregoing, the Board may withhold from distributions the amount that it determines is required to be withheld from the amount otherwise distributable to any Member pursuant to Article 5; provided, however, that such amount shall be deemed to have been distributed to such Member for purposes of applying Article 5 and this Article 6. The Board will not withhold any amounts from cash or other property distributable to any Member to satisfy any withholding and tax payment obligations to the extent that such Member demonstrates to the Board's satisfaction that such Member is not subject to such withholding and tax payment obligation. In the event that the Board withholds or incurred tax in respect of any Member for any period in excess of the amount of cash or other property otherwise distributable to such Member for such period (or there is a determination by any taxing authority that the Company should have withheld or incurred any tax for any period in excess of the tax, if any, that it actually withheld or paid for such period), such excess amount (or such additional amount) shall be treated as a recourse loan to such Member that shall bear interest at the rate of 10% per annum and be payable on demand.

6.10 **Reports to Members**.

(a) The books of account and records of the Company shall be audited as of the end of each Fiscal Year by the Company's independent public accountants.

(b) Within one (1) calendar day after the applicable due date for the filing of New Mountain Finance's quarterly reports for the end of each Fiscal Quarter of New Mountain Finance with the Commission (or the next Business Day if the first calendar day is not a Business Day), the Company shall send to each Person who was a Member during such period an unaudited report setting forth the following as of the end of such Fiscal Quarter, but the Company shall only be required to provide such information to such Members as make a request for it in writing:

(i) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited balance sheet as of the end of such period;

(ii) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited income statement of the Company for such period;

(iii) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited cash flow statement of the Company for such period; and

(iv) a statement of each Member's Capital Account.

(c) Within one (1) calendar day after the applicable due date for the filing of New Mountain Finance's annual report for the end of each Fiscal Year of New Mountain Finance with the Commission (or the next Business Day if the first calendar day is not a Business Day), the Company shall send to each Person who was a Member during such period an audited report setting forth the following as of the end of such Fiscal Year, but the Company shall only be required to provide such information to such Members as make a request for it in writing:

(i) an audited balance sheet as of the end of such Fiscal Year;

(ii) an audited income statement of the Company for such Fiscal Year;

(iii) an audited cash flow statement of the Company for such Fiscal Year; and

(iv) a statement of each Member's Capital Account.

(d) The Company shall provide each Member with monthly "flash reports."

(e) The Company shall provide each Member annually with a copy of the Budget.

(f) With reasonable promptness, the Board will deliver such other information available to the Board, including financial statements and computations, as any Member may from time to time reasonably request in order to comply with regulatory requirements, including reporting requirements, to which such Member is subject.

(g) The Board shall not be deemed to be in breach of this Section 6.10 for failure to deliver the reports and other information under clause (b) or (c) of this Section 6.10, if the Board delivers such information to each Member on the earlier of (i) the date such information is provided to the lenders or the holders of any indebtedness of the Company or filed with the Commission and (ii) a date that is within thirty (30) calendar days of the due date set forth in clause (b) or (c) above.

6.11 **Auditors**. The independent registered public accountant of the Company shall be determined by the Board, in its sole discretion.

ARTICLE 7
DISSOLUTION

7.1 **Dissolution**.

(a) The Company shall be dissolved and subsequently terminated upon the occurrence of the first of the following events:

(i) the act of the Board to dissolve the Company;

(ii) the entry of a decree of judicial dissolution of the Company pursuant to § 18-802 of the LLC Act; or

(iii) the termination of the legal existence of the last remaining Member or the occurrence of any other event that causes the last remaining Member to cease to be a Member of the Company, unless the Company is continued without dissolution pursuant to Section 7.1(b).

(b) Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a Member of the Company (other than upon continuation of the Company without dissolution upon an assignment by the Member of all of its Interest in the Company and the admission of the transferee as a Member pursuant to Section 8.2), to the fullest extent permitted by law, the personal representative of such Member is hereby authorized to, within ninety (90) days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of

the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of such Member in the Company.

(c) Notwithstanding any other provision of this Agreement, the bankruptcy (as defined in §§ 18-101(1) and 18-304 of the LLC Act) of a Member shall not cause the Member to cease to be a Member of the Company and, upon the occurrence of such an event, the Company shall continue without dissolution.

7.2 Winding-Up. When the Company is dissolved, the business and property of the Company shall be wound up in an orderly manner by the Board or by a liquidating trustee as may be appointed by the Board (the Board or such liquidating trustee, as the case may be, the "**Liquidator**"). In the event of dissolution, the Company shall not take any action that is inconsistent with, or not necessary to or appropriate for, the winding-up of the Company's business and affairs.

7.3 Final Distribution.

(a) As soon as reasonable following the event that caused the dissolution of the Company, the assets of the Company shall be applied in the following manner and order:

(i) to pay the expenses of the winding-up, liquidation and dissolution of the Company, and all creditors of the Company, including Members who are creditors of the Company, either by actual payment or by making a reasonable provision therefor, in the manner, and in the order of priority, set forth in § 18-804 of the LLC Act;

(ii) to distribute the remaining assets of the Company to the Members in accordance with Section 5.5 (b).

(b) If any Member has a deficit balance in its Capital Account in excess of any unpaid Capital Contributions (if any), such Member shall have no obligation to make any Capital Contribution to the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

(c) Each Member shall look solely to the assets of the Company for the amounts distributable to it hereunder and shall have no right or power to demand or receive property therefor from any Director or any other Member.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Members in the manner provided for in this Agreement and (ii) the Certificate shall have been canceled in the manner required by the LLC Act.

7.4 Exchange Right Upon Dissolution.

(a) Upon the occurrence of an event described in Section 7.1(a), if (i) New Mountain Finance is not the sole Member at the time of such event and (ii) prior to or concurrent with the occurrence of such event, New Mountain Finance has adopted a plan relating to the liquidation or dissolution of New Mountain Finance, then New Mountain Finance shall have the right to acquire from any Non-NMF Member all (but not less than all) of the Common Membership Units held by such Non-NMF Member in exchange for shares of New Mountain Finance Common Stock on a one-for-one basis (the "**Dissolution Exchange Right**"). If New Mountain Finance desires to exercise its Dissolution Exchange Right with respect to a Non-NMF Member, it shall exercise such right by giving written notice (the "**Dissolution Exchange Notice**") to such Non-NMF Member (the "**Dissolution Exchanging Non-NMF Member**") with a copy to the Company. The Dissolution Exchange Notice shall specify a date, which is to be as soon as reasonable following the occurrence of the event triggering the Dissolution Exchange Right, but in any event shall be prior to commencement of application of the assets of the Company pursuant to Section 7.3(a)(ii), on which the exercise of the Dissolution Exchange Right shall be completed (the '**Dissolution Exchange Date**").

(b) On the Dissolution Exchange Date:

(1) the Dissolution Exchanging Non-NMF Member shall (A) transfer and surrender to New Mountain Finance all of its Common Membership Units, (B) represent and warrant to New Mountain Finance that such Common Membership Units are owned by such Member free and clear of all liens and encumbrances and (C) deliver to New Mountain Finance all transfer tax stamps or funds therefor, if required pursuant to Section 9.1(e);

(2) the Company shall revise Schedule A to reflect the Transfer of the Common Membership Units pursuant to thisSection 7.4 and number of Common Membership Units held by New Mountain Finance following the Dissolution Exchange Date and to remove such Dissolution Exchanging Non-NMF Member; and

(3) New Mountain Finance shall issue the number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units being exchanged by such Dissolution Exchanging Non-NMF Member pursuant to the Dissolution Exchange Right and shall represent and warrant to such Dissolution Exchanging Non-NMF Member that such shares are validly issued, fully paid and non-assessable; and, if the New Mountain Finance Common Stock is certificated, New Mountain Finance shall deliver or cause to be delivered at the office of New Mountain Finance's transfer agent a certificate or certificates

representing such number of shares of New Mountain Finance Common Stock issued in the name of such Dissolution Exchanging Non-NMF Member.

An exchange pursuant to this Section 7.4 shall be deemed to have been effected immediately prior to the close of business on the Dissolution Exchange Date. The Person or Persons in whose name or names the shares of New Mountain Finance Common Stock are to be recorded shall be treated for all purposes as having become the record holder or holders of such shares of New Mountain Finance Common Stock immediately prior to the close of business on the Dissolution Exchange Date, and may sell such shares of New Mountain Finance Common Stock as permitted under applicable law.

Each Dissolution Exchanging Non-NMF Member, the Company and New Mountain Finance shall, for U.S. federal, state and local income tax purposes, treat the exchange as a taxable sale of such Dissolution Exchanging Non-NMF Member's Common Membership Units to New Mountain Finance, except as otherwise required pursuant to a "determination" within the meaning of Section 1313 of the Code. Each Dissolution Exchanging Non-NMF Member agrees to execute such instruments of transfer, officer's or other certificates or cross receipts to the extent necessary to evidence the exchange of its Common Membership Units and as New Mountain Finance may reasonably require in connection with the issuance of shares of New Mountain Finance Common Stock in exchange for such Member's Common Membership Units.

ARTICLE 8
TRANSFER; SUBSTITUTION; ADJUSTMENTS

8.1 Restrictions on Transfer.

(a) No Member may Transfer all or any portion of its Units or other Company Interests except with the written consent of the Board in its sole

discretion; provided, however, that subject to Section 8.1(b), a Member may, without the consent of the Board, at any time Transfer any of such Member's Units or other Equity Interests to a Permitted Transferee of such Member. It is a condition to any Transfer by a Member (the "**Transferring Member**") otherwise permitted hereunder that the transferee (i) agrees to become a party to, and be bound by the terms of, this Agreement to the same extent as the Transferring Member and (ii) assumes by operation of law or express agreement all of the obligations of the Transferring Member under this Agreement or any other agreement to which such Transferring Member is a party with respect to such Transferred Units or other Company Interests. Any transferee, whether or not admitted as a Member, shall take subject to the obligations of the transferor hereunder.

(b) In addition to any other restrictions on Transfer herein contained, including, without limitation, the provisions of this Article 8, any purported Transfer or assignment of a Unit or other Company Interests by any Member in the following circumstances shall be void *ab initio* (unless in the case of clause (v) below only, the consent of the Board is obtained):

(i) to any Person who lacks the legal right, power or capacity to own Units or other Company Interests;

(ii) if such Transfer would cause the Company to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code);

(iii) if such Transfer would, in the opinion of counsel to the Company, cause any portion of the assets of the Company to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101;

(iv) if such Transfer requires the registration of such Units or other Company Interests pursuant to any applicable federal, state or foreign securities laws or regulations or would otherwise materially violate any federal, state or foreign securities laws or regulations applicable to the Company, the Units or such Company Interests;

(v) if such Transfer (in and by itself) subjects the Company to be regulated under the Investment Company Act, the Investment Advisers Act of 1940 or ERISA, each as amended;

(vi) if such Transfer would cause the Company to fail the limitation set forth in Section 3.1(d) or would otherwise result in a risk that the Company would be treated as a "publicly traded partnership," as such term is defined in Section 469(k)(2) or 7704(b) of the Code;

(vii) if such Transfer violates any applicable laws in any material respect;

(viii) if the Company does not receive written instruments (including, without limitation, copies of any instruments of Transfer and such assignee's agreement to be bound by this Agreement as an assignee and Member) that are in a form satisfactory to the Board (in its sole discretion); or

(ix) to any Prohibited Person.

8.2 Substituted Members.

(a) No Member shall have the right to substitute a transferee as a Member in his or her place with respect to any Units or other Equity Interests in the Company so Transferred (including any transferee permitted by Section 8.1) unless (i) such Transfer is made in compliance with the terms of this Agreement and any other agreements with the Company to which such transferor Member is a party and (ii) such transferee assumes and agrees to be bound, by written instrument satisfactory to the Board pursuant to Section 8.l(b)(viii), all the rights, powers, restrictions, duties and liabilities that were applicable to the transferor by virtue of the transferor's ownership of the Units or other Equity Interests in the Company being Transferred.

(b) Except as provided in Section 8.2(c) and otherwise in this Agreement, a transferee who has been admitted as a Member in accordance with Section 8.2(a) shall have all

the rights and powers and be subject to all the restrictions, duties and liabilities of a Member under this Agreement holding the same Units or other Equity Interests in the Company. The admission of any transferee as a Member shall be subject to the provisions of Section 3.1.

8.3 Effect of Void Transfers. No Transfer of any Units or other Equity Interests owned by a Member in violation hereof shall be made or recorded on the books of the Company, and any such purported Transfer shall be void and of no effect.

ARTICLE 9
EXCHANGE RIGHT OF NON-NMF MEMBERS

9.1 Exchange Right of Non-NMF Members.

(a) Exchange Right. Any Non-NMF Member shall be entitled at any time and from time to time to require that New Mountain Finance acquire all or any portion of the Common Membership Units held by such Non-NMF Member in exchange for shares of New Mountain Finance Common Stock on a one-for-one basis (the "**Exchange Right**"). Any Non-NMF Member desiring to exercise its Exchange Right (the "**Exchanging Member**") shall exercise such right by giving written notice (the "**Exchange Notice**") to New Mountain Finance with a copy to the Company. The Exchange Notice shall specify the number of Common Membership Units (the "**Exchange Units**") that the Exchanging Member intends to have New Mountain Finance acquire, whether such Exchanging Member intends to sell the shares of New Mountain Finance Common Stock to be received for the Exchange Units in an underwritten public offering (an "**Underwritten Resale**") or a private sale (a "**Private Resale**"), and a date, which is not more than sixty (60) Business Days after delivery of the Exchange Notice or as otherwise agreed among New Mountain Finance and such Exchanging Member, on which the exercise of the Exchange Right shall be completed (the "**Exchange Date**") unless the Exchanging Member has timely delivered a Retraction Notice or a Termination Notice as provided in Section 9.1(b). In the event that the Exchanging Member intends to sell the shares of New Mountain Finance Common Stock to be received for its Exchange Units in an Underwritten Resale or Private Resale, such Exchanging Member shall not deliver an Exchange Notice to New Mountain Finance with respect to such Exchange Units until such Exchanging Member has entered into a binding firm commitment underwriting agreement to sell such shares (subject to customary conditions) in such Underwritten Resale or a binding agreement to sell such shares (subject to customary conditions) in such Private Resale.

(b) Retraction Notice. At any time after delivery of the Exchange Notice and no later than the Business Day prior to the Exchange Date or as otherwise agreed between New Mountain Finance and such Exchanging Member, the Exchanging Member may retract its Exchange Notice by giving written notice (the "**Retraction Notice**") to New Mountain Finance (with a copy to the Company). The timely delivery of a Retraction Notice shall terminate all of the Exchanging Member's, Company's and New Mountain Finance's rights and obligations under this Section 9.1 arising from such Exchange Notice. If the Exchanging Member has advised New Mountain Finance that it intends to sell the related shares of New Mountain Finance Common Stock in an Underwritten Resale, and either the Exchanging Member reasonably

determines that market conditions with respect to New Mountain Finance Common Stock make it inadvisable to proceed with the Underwritten Resale or the managing underwriter for the Underwritten Resale advises the Exchanging Member and New Mountain Finance that

the managing underwriter does not intend to close the sale of such shares in the Underwritten Resale, the Exchanging Member may terminate the Exchange Notice (the "**Termination Notice**") at any time prior to the Exchange Date by giving notice to New Mountain Finance (with a copy to the Company) prior to the Exchange Date. All of New Mountain Finance's and the Company's rights and obligations arising from the Exchange Notice shall terminate if the Exchanging Member timely delivers a Retraction Notice or a Termination Notice as provided in this Section 9.1(b).

(c) Exchange Mechanics. Unless a timely Retraction Notice or Termination Notice has been delivered to New Mountain Finance (with a copy to the Company) prior to the Exchange Date as set forth in Section 9.1(b), on the Exchange Date (to be effective immediately prior to the close of business on the Exchange Date or, in the case of an Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, respectively):

(1) the Exchanging Member shall (A) transfer and surrender to New Mountain Finance the Exchange Units, (B) represent and warrant to New Mountain Finance that the Exchange Units are owned by such Exchanging Member free and clear of all liens and encumbrances and (C) deliver to New Mountain Finance all transfer tax stamps or funds therefor, if required pursuant to Section 9.1(e);

(2) in the event that the shares of New Mountain Finance Common Stock to be issued in exchange for the Exchanging Member's Exchange Units are to be sold in an Underwritten Resale or Private Resale, the Exchanging Member shall direct New Mountain Finance to deliver directly to underwriter(s) with respect to an Underwritten Resale or to the buyer(s) with respect to a Private Resale, as the case may be, such shares of New Mountain Finance Common Stock;

(3) the Company shall revise Schedule A to reflect the Transfer of the Exchange Units pursuant to thisSection 9.1(c) and number of Common Membership Units held by New Mountain Finance and the Exchanging Member following the Exchange Date; and

(4) New Mountain Finance shall issue the number of shares of New Mountain Finance Common Stock equal to the number of Exchange Units being exchanged pursuant to the Exchange Notice and shall represent and warrant to the Exchanging Member that such shares are validly issued, fully paid and non-assessable; in the event that such shares of New Mountain Finance Common Stock are to be sold in an Underwritten Resale or Private Resale, such shares shall be issued in such name or names as the Exchanging Member shall have directed, or otherwise such shares shall be issued in the name of such Exchanging Member; and, if the New Mountain Finance Common Stock is certificated, New Mountain Finance shall deliver or cause to be delivered at the office of New Mountain Finance's transfer agent a certificate or certificates representing such number of shares of New Mountain Finance Common Stock issued in the name of the Exchanging Member or, if such shares are to be sold in an Underwritten Resale or Private Resale, in such other name or names as the Exchanging Member shall have directed.

An exchange pursuant to this Section 9.1 shall be deemed to have been effected immediately prior to the close of business on the Exchange Date or, in the case of an

Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, as the case may be. The Person or Persons in whose name or names the shares of New Mountain Finance Common Stock are to be recorded shall be treated for all purposes as having become the record holder or holders of such shares of New Mountain Finance Common Stock immediately prior to the close of business on the Exchange Date or, in the case of an Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, as the case may be, and may sell such shares of New Mountain Finance Common Stock as permitted under applicable law.

If New Mountain Finance fully performs its obligations in connection pursuant to this Section 9.1(a), its obligations with respect to such Exchanging Member's exercise of the Exchange Right shall be fully satisfied and discharged. Each of the Exchanging Member, the Company and New Mountain Finance shall, for U.S. federal, state and local income tax purposes, treat the exchange as a taxable sale of the Exchanging Member's Common Membership Units to New Mountain Finance, except as otherwise required pursuant to a "determination" within the meaning of Section 1313 of the Code. Each Exchanging Member agrees to execute such instruments of transfer, officer's or other certificates or cross receipts to the extent necessary to evidence the exchange of the Exchange Units and as New Mountain Finance may reasonably require in connection with the issuance of shares of New Mountain Finance Common Stock in exchange for such Member's Exchange Units.

(d) Underwritten Resale or Private Resale. If the Exchanging Member specified an Underwritten Resale or Private Resale in the Exchange Notice, it shall, when available, attach to the Exchange Notice a copy of a fully executed underwriting agreement with respect to such Underwritten Resale (subject to customary conditions) or a binding agreement to sell the related shares of New Mountain Finance Common Stock (subject to customary conditions) with respect to such Private Resale, and such Exchanging Member shall provide in the Exchange Notice an Exchange Date that is the same date as the closing date specified in such underwriting agreement or sales agreement; provided that, in such a case, the Exchange Date shall not be less than three (3) Business Days after delivery of the Exchange Notice unless otherwise agreed. If the Exchanging Member specified an Underwritten Resale in the Exchange Notice, and desires to exchange Common Membership Units in connection with an underwriter's over-allotment option with respect to such Underwritten Resale, it shall deliver a subsequent Exchange Notice specifying a number of Common Membership Units that it intends to exchange (which exchange shall be settled in the same manner as the prior Exchange Units) and an Exchange Date that is the same date as the closing date specified by the managing underwriter with respect to such Underwritten Resale upon the exercise of said option.

(e) Stamp or Similar Taxes. The Person or Persons requesting the issuance of certificates, if such certificates are issued, representing shares of New Mountain Finance Common Stock upon exchange of Common Membership Units shall pay to New Mountain Finance the amount of any stamp or other similar tax in respect of such issuance that may be payable by New Mountain Finance in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Company that such tax has been paid or is not payable.

9.2 Effect of Exercise of Exchange Right. This Agreement shall continue notwithstanding the exercise of an Exchanging Member's Exchange Right and all governance or other rights set forth herein in accordance with their terms and subject to their conditions shall be

exercised by the remaining Members and the Exchanging Member (to the extent of such Exchanging Member's remaining Interest in the Company). No exercise of an Exchanging Member's Exchange Right shall relieve such Exchanging Member of any prior breach of this Agreement.

9.3 Reservation of New Mountain Finance Common Stock. New Mountain Finance shall at all times reserve and keep available out of its authorized but unissued New Mountain Finance Common Stock, solely for the purpose of issuance upon exchange of Common Membership Units, such number of New Mountain Finance Common Stock that may be issuable pursuant to the Section 9.1; provided, that nothing contained herein shall be construed to preclude New Mountain Finance from fulfilling its obligations to issue New Mountain Finance Common Stock pursuant to Section 9.1 by delivering New Mountain Finance Common Stock that is held in the treasury of

New Mountain Finance. New Mountain Finance covenants that all New Mountain Finance Common Stock that shall be issued pursuant to Section 9.1 will, upon issue, be validly issued, fully paid and non-assessable.

ARTICLE 10
MISCELLANEOUS

10.1 Further Assurances. The Board and each Member of the Company shall, or shall cause their respective Affiliates or Representatives, as appropriate, to, take such actions and execute and deliver such other agreements, instruments and documents as may be necessary or desirable in order to carry out the purposes of this Agreement.

10.2 Amendments. Except as otherwise expressly provided in this Agreement or as required by law, this Agreement may be amended by the written consent of the holders of Common Membership Units representing a majority of all the Common Membership Units then outstanding; provided, however, that no amendment may adversely affect the rights of any holder of Common Membership Units without the consent of such holder if such amendment adversely affects the rights of such holder other than on a pro rata basis with other holders of Common Membership Units; provided, further, that any amendment to Schedule B pursuant to Section 4.12(c) will not be deemed to adversely affect the rights of any holder of Common Membership Units.

10.3 Pass-Through Voting. In accordance with the requirements of the Investment Company Act, each of New Mountain Finance and AIV Holdings, to the extent so required by the Investment Company Act, and any other Member that is an investment company relying on Section 12(d)(1)(E) of the Investment Company Act shall seek instructions from its security holders with regard to matters submitted to the vote of the Members, and each such Member shall vote only in accordance with such instructions.

10.4 Restrictions on Disclosure of Information. For a period of three (3) years after the earlier of (x) the dissolution of the Company or (y) the date upon which such Member ceases to be a Member of the Company:

(a) Each Member shall, and shall cause its Affiliates and its and its Affiliates' directors, officers, employees, agents and Representatives to, hold in confidence, in accordance with no less than the standards of confidentiality that it uses with respect to its own Confidential

Information (as defined below), and in no event less than a reasonable standard of care, all documents and Information concerning any other party hereto furnished it by such other party or its representatives in connection with the transactions contemplated by this Agreement which the Board notifies such Member that it in good faith believes it is not in the best interest of the Company to disclose or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential (the "**Confidential Information**"). Notwithstanding the foregoing, each Member and each of its Affiliates may disclose such Confidential Information to the extent that such Confidential Information is required, in such Member's sole discretion, in connection with the preparation of any financial, reserve or other information as needed or appropriate to be included in the public filings of such Member or is required to be disclosed to lenders of Indebtedness, provided such lenders are under an obligation to keep such Confidential Information confidential, or such Member or Affiliate can demonstrate that such Confidential Information is or was (i) generally available to the public other than by the breach of this Agreement, or (ii) lawfully acquired from a third Person on a non-confidential basis or independently developed by, or on behalf of, such Person. Notwithstanding the foregoing, each Member and its Affiliates may disclose such Confidential Information to the extent that such Person reasonably believes it is legally compelled to disclose such Confidential Information by judicial or administrative process or to any tribunal, agency, Governmental Authority, including, but not limited to, the New York Stock Exchange, or else stand liable for contempt or suffer other censure or financial penalty or is otherwise required by law to disclose such Confidential Information. Each Member shall maintain, and shall cause its Affiliates to maintain, policies and procedures, and develop such further policies and procedures as shall from time to time become necessary or appropriate, to ensure compliance with this Section 10.4(a). Nothing contained in this Section 10.4 shall be deemed to limit the disclosure by a Member of its own Confidential Information.

(b) Each Member shall (i) not, directly or indirectly, use the Confidential Information of the Company, except (x) as necessary in the ordinary course of the Company's or such Member's business or (y) as otherwise agreed between the Company and any Member, or disclose the Confidential Information of the Company to any third party and (ii) inform all of its employees to whom the Confidential Information of the Company is entrusted or exposed of the requirements of this Section and of their obligations relating thereto. Notwithstanding the foregoing, in connection with a potential merger, acquisition, disposition, financing or other transaction or any potential Transfer of Units or New Mountain Finance Common Stock by a Member, such Member may disclose Confidential Information of the Company to third parties if the Member requires the recipients of such Confidential Information to sign an agreement of confidentiality and nondisclosure reasonably satisfactory to such Member.

(c) The Company shall preserve the confidentiality of all Confidential Information supplied by the Members and their Affiliates ("**Member Information**") to the same extent that a Member must preserve the confidentiality of Confidential Information pursuant toSections 10.4(a) and (b).

(d) Member Information shall not be supplied by the Company or its Subsidiaries to any Person, including any other Member, who is not an employee of the Company or the Investment Adviser, including any employee of a Member who is not an employee of the Company or the Investment Adviser. Notwithstanding the foregoing, Member

Information may be disclosed to the Member's Representatives and to authorized third-party contractors of the Company if the Company determines that such disclosure is reasonably necessary to further the business of the Company, and if such contractor executes a non-disclosure agreement preventing such contractor from disclosing such Member Information for the benefit of each provider of Member Information in a form reasonably acceptable to the Members providing such Member's Information. Member Information disclosed by any Member to the Company or the Investment Adviser shall not be shared with any other Member that is not the Investment Adviser without the disclosing Member's written consent.

10.5 Injunctive Relief. The Company and each Member acknowledge and agree that any breach or violation of any of the terms of, or a default under, this Agreement will cause the other Members and the Company, as the case may be, irreparable injury for which an adequate remedy at law is not available. Accordingly, it is agreed that each of the Members and the Company will be entitled to an injunction or restraining order restraining such breach, violation or default or threatened breach, violation or default and to any other equitable relief, including, without limitation, specific performance of the terms and provisions of this Agreement, in addition to any other remedy to which they may be entitled, at law or equity. The Company and each Member further agree that, in the event of any action for an injunction or other equitable remedy in respect of such breach or enforcement of specific performance, it will not assert the defense that a remedy at law would be adequate. Nothing stated herein shall limit any other remedies provided under this Agreement or available to the parties at law or equity.

10.6 No Third-Party Beneficiaries. This Agreement shall inure to the benefit of, and be binding upon, the Parties hereto and their respective legal representatives, successors and permitted assigns and transferees. Except as otherwise provided in this Agreement, nothing in this Agreement, express or implied, is intended to confer upon any other Person, including, but not limited to, any Person named in this Agreement that is not a Party, any rights, remedies, duties or obligations of any nature whatsoever under or by reason of this Agreement unless and until such Person becomes a Party.

10.7 Notices. Any notice, instruction, direction, demand or other communication required under the terms of this Agreement shall be in writing and shall be

delivered by hand, facsimile transmission, electronic mail or nationally recognized overnight delivery service (with postage prepaid) and shall be deemed given when received if delivered on a Business Day during normal business hours of the recipient or, if not so delivered, on the next Business Day following receipt. Notices to the Company or any Member shall be delivered to the Company or such Member as set forth in Schedule A, as it may be revised from time to time.

10.8 Severability. If any term or other provision of this Agreement shall be determined by a court, administrative agency or arbitrator to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not render the entire Agreement invalid. Rather, this Agreement shall be construed as if not containing the particular invalid, illegal or unenforceable provision, and all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either the Company or the Members. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Company and the Members shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Members as closely as possible in a reasonably acceptable manner to the

end that the transactions contemplated hereby are fulfilled to the fullest extent permitted under applicable law.

10.9 Counterparts and Signature. This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. This Agreement may be executed by electronic transmission, including by facsimile or electronic mail, by each party hereto of a signed signature page hereof to the other party.

10.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the Parties.

(b) Each Party hereby expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in the City and County of New York, Borough of Manhattan (and each appellate court wherever located with jurisdiction over appeals from such court) for any action or other proceeding arising out of or relating to this Agreement, or the negotiation, validity or performance of this Agreement, or the transactions contemplated thereby (and agrees not to commence any action or other proceeding relating thereto except in such courts, including to enforce any settlement, order or award). Each Party hereto:

(i) consents to service of process in any such action or proceeding in any manner permitted by the laws of the State of New York, and also agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 10.7 is sufficient and reasonably calculated to give actual notice;

(ii) agrees that each state and federal court located in the City and County of New York, Borough of Manhattan shall be deemed to be a convenient forum; and

(iii) waives and agrees not to assert (by way of motion, as a defense or otherwise), in any such action or proceeding commenced in any state or federal court located in the City and County of New York, Borough of Manhattan, any claim that such party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court.

(c) In the event of any action or other proceeding relating to this Agreement or the enforcement of any provision of this Agreement, the prevailing party (as determined by the court) shall be entitled to payment by the non-prevailing party of all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party, including any costs and expenses incurred in connection with any challenge to the jurisdiction or the convenience or propriety of venue of proceedings before any state or federal court located in the City and County of New York, Borough of Manhattan.

(d) **Each of the Parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any legal action or other legal proceeding directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby.** Each of the Parties hereto (a) certifies that no Representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other Parties hereto have been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers set forth in this Section 10.10(d).

(signature page follows)

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

NEW MOUNTAIN GUARDIAN AIV, L.P.

By: _____
Name:
Title:

NEW MOUNTAIN GUARDIAN PARTNERS, L.P.

By: _____
Name:
Title:

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name:
Title:

[Signature page for Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C.]

Schedule A
Members and Units

Names and Addresses	Member Interest includes Common Membership Units	Percentage Interest
New Mountain Guardian AIV, L.P.: 787 7th Avenue, 48th Floor New York, NY 10019 (212) 720-0300 Fax: ( ) -		%
New Mountain Guardian Partners, L.P.: 787 7th Avenue, 48th Floor New York, NY 10019 (212) 720-0300 Fax: ( ) -		%

Schedule B
Credit Agreement Covenants

The approval of the Board (including the consent of the Independent Manager (as defined in the Credit Agreement)) is required for the Company to (a) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (b) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (c) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (d) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (e) make any assignment for the benefit of the Borrower's creditors, (f) admit in writing its inability to pay its debts generally as they become due, or (g) take any action in furtherance of any of the foregoing.

Exhibit 1
Form of New Mountain Guardian AIV Holdings Corporation Joinder Agreement

JOINDER

, 2011

Reference is made to that certain Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011 (the "LLC Agreement"), by and among the members of the Company, attached hereto as Exhibit A.

By and upon execution of this joinder, the undersigned (a) shall be a party to the LLC Agreement, (b) accepts and agrees to be subject to all terms and conditions of the LLC Agreement, (c) shall be considered a "Member" and "AIV Holdings" thereunder and (d) shall be entitled to the rights and benefits and subject to the duties and obligations of a Member and AIV Holdings thereunder, in each case as fully as if the undersigned were an original signatory thereto in such capacity.

In accordance with the requirements of the Investment Company Act, AIV Holdings, to the extent so required by the Investment Company Act of 1940, as amended, and the rules and regulations promulgated by the Securities and Exchange Commission thereunder, shall seek instructions from its security holders with regard to matters submitted to the vote of the Members.

Unless otherwise specified in writing by the undersigned, the initial address for notices to the undersigned for purposes of the LLC Agreement is the address for the undersigned set forth on the signature page hereto. Pursuant to Section 3.1(c) of the LLC Agreement, the Company shall amend Schedule A to the LLC Agreement to reflect the admission of the undersigned as a Member and such other information of the undersigned as indicated in Schedule A to the LLC Agreement. This joinder shall not otherwise constitute an amendment or waiver of any provision of the LLC Agreement, which shall continue and remain in full force and effect in accordance with its terms.

* * *

IN WITNESS WHEREOF, the undersigned has executed this joinder as of the date first written above.

NEW MOUNTAIN FINANCE AIV HOLDINGS CORPORATION

By: _____
Name: _____
Its: _____

Address for Notices: 787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name: _____
Its: _____

Exhibit 2

Form of New Mountain Finance Corporation Joinder Agreement

JOINDER

, 2011

Reference is made to that certain Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011 (the "LLC Agreement"), by and among the members of the Company, attached hereto as Exhibit A.

By and upon execution of this joinder, the undersigned (a) shall be a party to the LLC Agreement, (b) accepts and agrees to be subject to all terms and conditions of the LLC Agreement, (c) shall be considered a "Member" and "New Mountain Finance" thereunder and (d) shall be entitled to the rights and benefits and subject to the duties and obligations of a Member and New Mountain Finance thereunder, in each case as fully as if the undersigned were an original signatory thereto in such capacity.

Unless otherwise specified in writing by the undersigned, the initial address for notices to the undersigned for purposes of the LLC Agreement is the address for the undersigned set forth on the signature page hereto. Pursuant to Section 3.1(c) of the LLC Agreement, the Company shall amend Schedule A to the LLC Agreement to reflect the admission of the undersigned as a Member and such other information of the undersigned as indicated in Schedule A to the LLC Agreement. This joinder shall not otherwise constitute an amendment or waiver of any provision of the LLC Agreement, which shall continue and remain in full force and effect in accordance with its terms.

* * *

IN WITNESS WHEREOF, the undersigned has executed this joinder as of the date first written above.

NEW MOUNTAIN FINANCE CORPORATION

By: _____
Name: _____
Its: _____

Address for Notices: 787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name: _____
Its: _____

JOINDER

, 2011

Reference is made to that certain Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011 (the "LLC Agreement"), by and among the members of the Company, attached hereto as Exhibit A.

By and upon execution of this joinder, the undersigned (a) shall be a party to the LLC Agreement, (b) accepts and agrees to be subject to all terms and conditions of the LLC Agreement, (c) shall be considered a "Member" and "AIV Holdings" thereunder and (d) shall be entitled to the rights and benefits and subject to the duties and obligations of a Member and AIV Holdings thereunder, in each case as fully as if the undersigned were an original signatory thereto in such capacity.

In accordance with the requirements of the Investment Company Act, AIV Holdings, to the extent so required by the Investment Company Act of 1940, as amended, and the rules and regulations promulgated by the Securities and Exchange Commission thereunder, shall seek instructions from its security holders with regard to matters submitted to the vote of the Members.

Unless otherwise specified in writing by the undersigned, the initial address for notices to the undersigned for purposes of the LLC Agreement is the address for the undersigned set forth on the signature page hereto. Pursuant to Section 3.1(c) of the LLC Agreement, the Company shall amend Schedule A to the LLC Agreement to reflect the admission of the undersigned as a Member and such other information of the undersigned as indicated in Schedule A to the LLC Agreement. This joinder shall not otherwise constitute an amendment or waiver of any provision of the LLC Agreement, which shall continue and remain in full force and effect in accordance with its terms.

* * *

IN WITNESS WHEREOF, the undersigned has executed this joinder as of the date first written above.

NEW MOUNTAIN FINANCE AIV HOLDINGS CORPORATION

By: _____
Name: _____
Its: _____

Address for Notices: 787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name: _____
Its: _____

Exhibit A

AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

Dated , 2011

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS (1) THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS AND (2) IF REQUESTED BY THE BOARD, THE TRANSFEROR DELIVERS TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE BOARD, IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, TO THAT EFFECT.

TABLE OF CONTENTS

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

This Amended and Restated Limited Liability Company Agreement (this "**Agreement**") of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "**Company**"), is made and entered into as of , 2011, by and between New Mountain Guardian AIV, L.P., a Delaware limited partnership ("**Guardian AIV**"), and New Mountain Guardian Partners, L.P., a Delaware limited partnership ("**Guardian Partners**"). Certain terms used in this Agreement are defined in Section 1.1.

RECITALS

WHEREAS, the Company was formed by Guardian AIV under the provisions of the LLC Act (as defined below) under the name "New Mountain Guardian (Leveraged) L.L.C." by the filing of a Certificate of Formation with the Secretary of State of the State of Delaware on October 29, 2008;

WHEREAS, simultaneously therewith Guardian AIV entered into the Limited Liability Company Agreement of New Mountain Guardian (Leveraged) L.L.C. dated as of October 29, 2008 (the "**Initial LLC Agreement**");

WHEREAS, on , 2011, Guardian Partners caused New Mountain Guardian Partners Debt Funding, L.L.C. to merge with and into New Mountain Guardian Partners (Leveraged), L.L.C., with New Mountain Guardian Partners (Leveraged), L.L.C. as the surviving company;

WHEREAS, on , 2011, Guardian Partners caused New Mountain Guardian Partners (Leveraged), L.L.C. to merge with and into the Company, with the Company as the surviving company (the "**Guardian Partners Merger**"), and Guardian Partners received membership units in the Company as consideration for the transfer of assets in the merger;

WHEREAS, Guardian AIV will contribute to New Mountain Guardian AIV Holdings Corporation, a Delaware corporation ("**AIV Holdings**") its Common Membership Units in exchange for common stock of AIV Holdings and AIV Holdings will be admitted as a Member of the Company pursuant to a joinder agreement to this Agreement, the form of which is set forth in Exhibit 1 hereto (the "**AIV Holdings Joinder Agreement**");

WHEREAS, Guardian Partners will contribute to New Mountain Finance Corporation, a Delaware corporation ("**New Mountain Finance**") its Common Membership Units in exchange for a number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units so contributed, and New Mountain Finance will be admitted as a Member of the Company pursuant to a joinder agreement to this Agreement, the form of which is set forth in Exhibit 2 hereto (the "**New Mountain Finance Joinder Agreement**");

WHEREAS, the Company will be renamed "New Mountain Finance Holdings, L.L.C." by filing a Certificate of Amendment with the Secretary of State of the State of Delaware;

WHEREAS, shares of New Mountain Finance Common Stock will be sold to the public in an underwritten offering (the "**Initial Public Offering**") and in a concurrent private placement to certain executives and employees of, and other individuals affiliated with, New Mountain Capital (the "**Concurrent Offering**");

WHEREAS, New Mountain Finance will contribute the gross proceeds of the Initial Public Offering and the Concurrent Offering to the Company in exchange for a number of Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance in the Initial Public Offering and the Concurrent Offering; and

WHEREAS, the Members desire to amend and restate the Initial LLC Agreement to, among other things, (i) reclassify the membership units in the Company into Common Membership Units, (ii) set forth the rights and obligations of each Member with respect to the Company and (iii) set forth the terms and conditions for the operation of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Defined Terms. The following terms shall have the following meanings in this Agreement:

"**Action**" means any suit, arbitration, inquiry, proceeding or investigation (whether civil, criminal, administrative, investigative, or informal) by or before any court, Governmental Authority or any arbitration tribunal asserted by a Person.

"**Administration Agreement**" means the Administration Agreement to be entered into among the Company, New Mountain Finance and New Mountain Finance Administration, L.L.C., as Administrator, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Adjustment Event**" has the meaning set forth in Section 3.3(d) of this Agreement.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person.

"**Agreement**" has the meaning set forth in the preamble of this Agreement, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

"**AIV Holdings**" has the meaning set forth in the preamble of this Agreement.

"**AIV Holdings Joinder Agreement**" has the meaning set forth in the preamble of this Agreement.

"**AIV Holdings Member**" means AIV Holdings and any Permitted Transferees of AIV Holdings (so long as Section 8.2 has been satisfied with respect to such Permitted Transferee); provided that if AIV Holdings and all of its Permitted Transferees cease to own Common Membership Units, then AIV Holdings and its Permitted Transferees shall no longer be treated as the AIV Holdings Member under this Agreement.

"**Beneficial Owner**" (including, with correlative meaning, the term "**beneficially owns**") has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act, whether or not applicable. For purposes of this Agreement no Member shall be deemed to be the Beneficial Owner of New Mountain Finance Common Stock solely by reason of such Member's ownership of Common Membership Units that are exchangeable pursuant to Section 7.4 or Section 9.1.

"**Board**" has the meaning set forth in Section 4.1(a) of this Agreement.

"**Budget**" means an annual operating and capital budget of the Company, including, among other things, anticipated revenues, expenditures (capital and operating), and cash and capital requirements of the Company for the following year.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"**Business Development Company**" has the meaning set forth under Section 2(a)(48) of the Investment Company Act.

"**Capital Account**" has the meaning set forth in Section 6.2(a) of this Agreement.

"**Capital Contribution**" means (i) the total amount of cash and the fair market value of assets contributed (or deemed contributed) by a Member to the Company determined (x) as of the Cutoff Date, in the case of cash and assets deemed contributed to the Company by Guardian Partners and Guardian AIV pursuant to the Guardian Partners Merger, subject to any reasonable adjustments as determined by the Board, and (y) at the date on which any other assets are contributed (or deemed contributed) to the Company by a Member, in each case as determined by the Board (net of all liabilities that the Company is considered to assume or take subject to) and (ii) in the case where the Investment Adviser receives payment of a portion of the incentive fee in Common Membership Units pursuant to the Investment Management Agreement, the total amount of cash that the Investment Adviser would have received if such portion of such incentive fee had been paid entirely in cash rather than in Common Membership Units.

"**Capital Stock**" means (i) with respect to any Person that is a corporation, any and all shares, interests in, participations in (or other equivalents), however designated, of corporate stock, including each class of common stock and preferred stock of such Person and

(2) with respect to any Person that is not a corporation, any and all partnership, limited liability company or other equity interests of such Person or any other interest that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets, of the issuing Person.

"**Carrying Value**" means, with respect to any asset of the Company, the asset's adjusted basis for U.S. federal income tax purposes, except as follows:

(i) the Carrying Value of any asset contributed (or deemed contributed) by a Member to the Company will be the fair market value of the asset (x) as of the Cutoff Date in the case of any asset deemed contributed to the Company by Guardian Partners and Guardian AIV pursuant to the Guardian Partners Merger, subject to any reasonable adjustment as determined by the Board, and (y) at the date on which any other asset is contributed (or deemed contributed) to the Company, in each case as determined by the Board;

(ii) the Carrying Values of all assets of the Company shall be adjusted to equal their respective fair market values, in accordance with the rules, events, and times, set forth in Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and otherwise provided for in the rules governing maintenance of Capital Accounts under Treasury Regulations; provided, however, that such adjustments shall be made only if the Board determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members;

(iii) any adjustments to the adjusted basis of any asset of the Company pursuant to Section 734 or Section 743 of the Code shall be taken into account in determining such asset's Carrying Value in a manner consistent with Treasury Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that the Carrying Value of any asset of the Company shall not be adjusted pursuant to this clause (iii) to the extent that an adjustment pursuant to clause (ii) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iii);

(iv) in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(e), the Carrying Value of any asset of the Company distributed to any Member shall be adjusted immediately prior to such distribution to equal its fair market value as of the time such asset is distributed as determined by the Board; and

(v) if the Carrying Value of any asset of the Company has been determined pursuant to clause (i), (ii) or (iii) of this definition, to the extent permitted by the Treasury Regulations, such Carrying Value shall thereafter be adjusted in the same manner as would the asset's adjusted basis for U.S. federal income tax purposes in accordance with and subject to the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(g).

"**Certificate**" has the meaning set forth in Section 2.1(a) of this Agreement.

"**Certificate of Amendment**" has the meaning set forth in Section 2.1(a) of this Agreement.

"**Claim**" means any Action, complaint, charge or investigation pending or, to the Person's knowledge, threatened against the Person or any of its Representatives.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute and the rules and regulations thereunder in effect from time to time. Any reference herein to a specific provision of the Code shall mean, where appropriate, the corresponding provision in any successor statute.

"**Commission**" means the United States Securities and Exchange Commission.

"**Common Membership Unit**" means a Unit representing, when outstanding, a fractional part of the Interests of all Members holding Common Membership Units, and having the rights and obligations specified with respect to Common Membership Units in this Agreement.

"**Company**" has the meaning set forth in the preamble of this Agreement.

"**Company Interests**" means, with respect to any New Mountain Finance Securities, the corresponding class of Units or Equity Interests, as applicable, with designations, preferences and other rights, terms and conditions (other than financial covenants applicable to New Mountain Finance or its Subsidiaries) that are substantially the same as the designations, preferences and other rights, terms and conditions of such other New Mountain Finance Securities.

"**Company Purposes**" has the meaning set forth in Section 2.6 of this Agreement.

"**Concurrent Offering**" has the meaning set forth in the preamble of this Agreement.

"**Confidential Information**" has the meaning set forth in Section 10.4(a) of this Agreement.

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting Equity Interests, as trustee or executor, by contract or otherwise.

"**Credit Agreement**" means the Amended and Restated Loan and Security Agreement, dated as of , 2011, among the Company, as the borower and the collateral administrator, each of the lenders from time to time party thereto, Wells Fargo Securities, LLC, as the administrative agent, and Wells Fargo Bank, National Association, as the collateral custodian, as may be amended, modified, waived, supplemented or restated from time to time.

"**Cutoff Date**" means March 31, 2011, the date as of which the Company will calculate net asset value per Unit.

"**Director**" has the meaning set forth in Section 4.1(a) of this Agreement.

"**Dissolution Exchange Date**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchange Notice**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchange Right**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchanging Non-NMF Member**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dividend Reinvestment Plan**" means the dividend reinvestment plan that New Mountain Finance has adopted pursuant to which its distributions will be reinvested in New Mountain Finance Common Stock on behalf of its stockholders.

"**Equity Interests**" means:

(i) with respect to the Company, any and all units, interests, participations or other equivalents (however designated, whether voting or non-voting) of limited liability company interests or equivalent ownership interests in, or issued by, the Company or interests, participations or other equivalents to share in the revenues or earnings of the Company, or securities convertible into, or exchangeable or exercisable for, such units, interests, participations or other equivalents and options, warrants or other rights to acquire such units, interests, participations or other equivalents (including, Indebtedness that is convertible into, or exchangeable for, units, interests, participations or other equivalents), but shall not include any other Indebtedness of the Company, and

(ii) with respect to any other Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited), limited liability company interests or equivalent ownership interests in or issued by, or interests, participations or other equivalents to share in the revenues or earnings of including any form of beneficial interest in a trust, such Person or securities convertible into, or exchangeable or exercisable for, such shares, interests, participations or other equivalents and options, warrants or other rights to acquire such shares, interests, participations or other equivalents (including, Indebtedness that is convertible into, or exchangeable for, shares, interests, participations or other equivalents), but shall not include any other Indebtedness of such Person.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Excess Nonrecourse Liability**" has the meaning set forth Treasury Regulations Section 1.752-3(a)(3).

"**Exchange Act**" means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Exchange Date**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Notice**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Right**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Units**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchanging Member**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Fiscal Month**" means each fiscal month within the Company's Fiscal Year, as determined by the Board.

"**Fiscal Quarter**" means each fiscal quarter, which shall consist of three Fiscal Months.

"**Fiscal Year**" means the fiscal year of the Company ending on December 31 of each year.

"**GAAP**" means the generally accepted accounting principles in the United States, including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession.

"**Governmental Authority**" means any United States federal, state or local or any foreign government, supranational, governmental, regulatory or administrative authority, instrumentality, agency or commission, political subdivision, securities self-regulatory organization or any court, tribunal or judicial or arbitral body or other governmental authority.

"**Group**" has the meaning set forth in Section 13(d)(3) and Rule 13d-5 of the Exchange Act.

"**Guardian AIV**" has the meaning set forth in the preamble of this Agreement.

"**Guardian Partners**" has the meaning set forth in the preamble of this Agreement.

"**Guardian Partners Merger**" has the meaning set forth in the preamble of this Agreement.

"**Indebtedness**" means, with respect to any Person, at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments issued by such Person, (iii) all obligations of such Person to pay the deferred purchase price for property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person evidenced by surety bonds or other similar instruments, (v) all reimbursement obligations of such Person in respect of letters of credit or other similar instruments, (vi) all Indebtedness of others secured by any lien, security interest or mortgage on any asset of such Person and (vii) all Indebtedness of others guaranteed (whether by virtue of partnership

arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain a minimum net worth, financial ratio or similar requirements, or otherwise) by such Person.

"**Indemnitee**" has the meaning set forth in Section 4.8(a) of this Agreement.

"**Independent Counsel**" has the meaning set forth in Section 4.8(c) of this Agreement.

"**Information**" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, geological information, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"**Initial LLC Agreement**" has the meaning set forth in the recitals of this Agreement.

"**Initial Public Offering**" has the meaning set forth in the preamble of this Agreement.

"**Interest**" means a Member's limited liability company interest in the Company as provided in this Agreement and under the LLC Act, and, in addition, any and all rights and benefits to which a Member is entitled under this Agreement and/or the LLC Act, together with all duties and obligations of such Person to comply with this Agreement and/or the LLC Act.

"**Investment Adviser**" means New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company.

"**Investment Company Act**" means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Investment Management Agreement**" means the Investment Management Agreement to be entered into between the Company and the Investment Adviser, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**IPO Date**" means the closing date of the Initial Public Offering.

"**law**" means any law (statutory, common or otherwise), constitution, ordinance, code, rule, regulation, executive order or other similar authority enacted, adopted, promulgated or applied by any Governmental Authority, each as amended from time to time.

"**Liabilities**" means all damages, losses, liabilities or obligations, payments, amounts paid in settlement, fines, penalties, costs of burdens associated with performing

injunctive relief and other costs (including reasonable fees and expenses of outside attorneys, accountants and other professional advisors, and of expert witnesses and other costs of investigation, preparation and litigation in connection with any Action, appeal, petition, plea, charge, complaint, claim, suit, demand, litigation, arbitration, mediation, hearing, inquiry, investigation or similar matter or proceeding) of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute, contingent or

vested, accrued or unaccrued, liquidated or unliquidated, or matured or unmatured.

"**License Agreement**" means the License Agreement to be entered into by and between the Company and New Mountain Finance, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Lien**" means, with respect to any asset, any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement and any lease in the nature thereof.

"**Liquidator**" has the meaning set forth in Section 7.2 of this Agreement.

"**LLC Act**" means the Delaware Limited Liability Company Act, 6 Del.C. §§18-101, et seq., as it may be amended from time to time, and any successor to such statute.

"**Member**" means each Person that is or becomes a member, as contemplated in the LLC Act, of the Company in accordance with the provisions of this Agreement and is listed on Schedule A to this Agreement (as such Schedule may be amended or modified from time to time) and has not ceased to be a Member as provided in Section 3.1(e) of this Agreement.

"**Member Information**" has the meaning set forth in Section 10.4(c) of this Agreement.

"**Net Income**" or "**Net Losses**," as appropriate, means, for any period, the taxable income or tax loss of the Company for such period for U.S. federal income tax purposes, as determined in accordance with the accounting method used by the Company for U.S. federal income tax purposes, with the following adjustments:

(i) there shall be taken into account any separately stated items under Section 702(a) of the Code;

(ii) any tax-exempt income received by the Company shall be deemed for these purposes only to be an item of gross income;

(iii) any expenditure of the Company described in Section 705(a)(2)(B) of the Code (or treated as described therein pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i)) shall be treated as a deductible expense;

(iv) if the Carrying Value of any asset of the Company is adjusted pursuant to clause (ii), (iii) or (iv) of the definition thereof, the amount of such adjustment shall be taken into account in the period of adjustment as gain or loss from the disposition or deemed disposition of

such asset for purposes of computing Net Income and Net Losses, but in the case of an adjustment pursuant to clause (ii) of the definition of Carrying Value only in the manner and subject to the limitations prescribed in Treasury Regulations Section 1.704-1(b)(iv)(m)(4);

(v) in the case of an asset of the Company described in clause (i) of the definition of Carrying Value or that is adjusted pursuant to clause (ii) of the definition of Carrying Value, Net Income and Net Losses of the Company (and the constituent items of income, gain, loss and deduction) realized with respect to such asset shall be computed in accordance with the principles of Treasury Regulations Section 1.704-1(b)(2)(iv)(g); and

(vi) any amounts paid to the Investment Adviser pursuant to the Investment Management Agreement shall be treated as payments to a non-Member under Section 707 of the Code.

"**New Mountain Capital**" means New Mountain Capital Group, L.L.C., a Delaware limited liability company.

"**New Mountain Finance**" has the meaning set forth in the preamble of this Agreement.

"**New Mountain Finance Common Stock**" means the common stock, par value $0.01, of New Mountain Finance.

"**New Mountain Finance Joinder Agreement**" has the meaning set forth in the preamble of this Agreement.

"**New Mountain Finance Securities**" means any Equity Interests of New Mountain Finance, or any rights, options, warrants or convertible or exchangeable securities having the right to convert into, exchange for, subscribe for or purchase any Equity Interests of New Mountain Finance.

"**New Mountain Finance Stock Offering**" means a primary offering by New Mountain Finance of its Common Stock, including, without limitation, the Initial Public Offering, the Concurrent Offering and any other offerings.

"**Non-NMF Member**" means, unless the context otherwise requires, Guardian AIV (for so long as Guardian AIV is a Member), Guardian Partners (for so long as Guardian Partners is a Member), the AIV Holdings Member and each additional Person, except for New Mountain Finance, but including the Investment Adviser and Permitted Transferees (so long as Section 8.2 has been satisfied with respect to such Permitted Transferees), that becomes a Member pursuant to the terms of this Agreement, in such Person's capacity as a member of the Company.

"**Nonrecourse Debt**" means any Company liability to the extent that no Member (or related person within the meaning of Treasury Regulations Section 1.752-4(b)) bears the economic risk of loss for such liability under Treasury Regulations Section 1.752-2.

"**Over-Allotment Option**" means the over-allotment option that may be exercised by the Underwriters of the Initial Public Offering pursuant to the Underwriting Agreement.

"**Party**" or "**Parties**" means the Company and each Member of the Company.

"**Percentage Interest**" means, with respect to any Member at any time holding Common Membership Units, the quotient, expressed as a percentage, obtained by dividing (i) the number of Common Membership Units held by such holder at the time of such calculation, by (ii) the total number of all Common Membership Units outstanding at the time of such calculation.

"**Permitted Transferee**" means in the case of any Member, an Affiliate of such Member, and in the case of the Investment Adviser, an officer, director, member, manager, equity holder, employee, agent or Affiliate of the Investment Adviser and any of their heirs, executors, successors and assigns.

"**Person**" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, Governmental Authority or other entity or organization of any nature whatsoever.

"**Private Resale**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Proceeding**" has the meaning set forth in Section 4.8(a) of this Agreement.

"**Prohibited Person**" means any Person with whom a Member would be restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H. R. 3162, Public Law 107 56, as amended, and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001, and regulations promulgated pursuant thereto, including, without limitation, Persons named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List, as such List may be amended from time to time.

"**Registration Rights Agreement**" means the Registration Rights Agreement to be entered into among the Company, New Mountain Finance, AIV Holdings, Guardian Partners and the Investment Adviser, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Regulated Investment Company**" has the meaning set forth in Section 2.6 of this Agreement.

"**Representative**" has the meaning set forth in Section 4.7(a) of this Agreement.

"**Retraction Notice**" has the meaning set forth in Section 9.1(b) of this Agreement.

"**Section 704(c) Property**" means any asset of the Company if the Carrying Value of such asset differs from its adjusted tax basis.

"**Subsidiary**" means, with respect to any Person, (i) a corporation a majority of whose Capital Stock with the general voting power under ordinary circumstances to vote in the election of directors of such corporation (irrespective of whether or not, at the time, any other class or classes of securities shall have, or might have, voting power by reason of the happening of any contingency) or a majority of the outstanding Equity Interests is at the date of determination beneficially owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation), including a joint venture, a general or limited partnership or a limited liability company, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, beneficially owns (x) at least a majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Persons performing such functions), (y) at least a majority of the outstanding Equity Interests or (z) otherwise acts as the general partner or managing member of such other Person.

"**Tax Matters Member**" has the meaning set forth in Section 6.7(a) of this Agreement.

"**Termination Notice**" has the meaning set forth in Section 9.1(b) of this Agreement.

"**Transaction Documents**" means, collectively, the following agreements:

(i) this Agreement;
(ii) the Administration Agreement;
(iii) the Investment Management Agreement;
(iv) the License Agreement; and
(v) the Registration Rights Agreement.

"**Transfer**" (including the term "**Transferred**") means, directly or indirectly and by operation of law or otherwise, to sell, transfer, give, exchange, bequest, assign, pledge, grant a security interest in, encumber, hypothecate or otherwise dispose of, either voluntarily or involuntarily.

"**Transferring Member**" has the meaning set forth in Section 8.1(a) of this Agreement.

"**Treasury Regulations**" means the federal income tax regulations, including any temporary regulations, promulgated under the Code, as such Treasury Regulations may be amended from time to time. Any and all references herein to specific Treasury Regulations provisions shall be deemed to refer to any corresponding successor provisions.

"**Underwriters**" means the several underwriters of the Initial Public Offering named in the Underwriting Agreement.

"**Underwriting Agreement**" means the underwriting agreement entered into among New Mountain Finance and the Underwriters for the Initial Public Offering.

"**Underwritten Resale**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Unit**" has the meaning set forth in Section 3.3(a).

1.2 Other Definitional Provisions; Interpretation.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole, including the schedules and exhibits attached hereto, and not to any particular provision of this Agreement. Article, section and subsection references are to this Agreement unless otherwise specified.

(b) The words "include" and "including" and words of similar import when used in this Agreement shall be deemed to be followed by the words "without limitation."

(c) The titles and headings in this Agreement are included for convenience of reference only and will not limit or otherwise affect the meaning or interpretation of this Agreement.

(d) The meanings given to capitalized terms defined herein will be equally applicable to both the singular and plural forms of such terms. Whenever

the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(e) If and to the extent that any provision of the LLC Act, the Certificate, the Certificate of Amendment or any provision of this Agreement conflicts with any provision of the Investment Company Act or interpretation thereof by the U.S. Securities and Exchange Commission, the applicable provision of the Investment Company Act or applicable interpretation shall control.

ARTICLE 2
FORMATION

2.1 Formation; Qualification.

(a) A Certificate of Formation of the Company (the "**Certificate**") was filed with the Secretary of State of the State of Delaware on October 29, 2008 to form on such date the Company as a limited liability company pursuant to the LLC Act. A Certificate of Amendment was filed with the Secretary of State of the State of Delaware on , 2011, renaming the Company "New Mountain Finance Holdings, L.L.C." (the "**Certificate of Amendment**"). The rights, duties and liabilities of the Members shall be as provided in the LLC Act, except as otherwise provided in this Agreement.

(b) The Company shall be qualified or registered under foreign limited liability company statutes or assumed or fictitious name statutes or similar laws in any jurisdiction in which the Company owns property or transacts business to the extent, in the judgment of the Board, such qualification or registration is necessary or advisable in order to protect the limited liability of the Members or to permit the Company lawfully to own property

or transact business. The Board shall, to the extent necessary in the judgment of the Board, maintain the Company's good standing in each such jurisdiction.

(c) Each Director shall be an "authorized person" within the meaning of § 18-204(a) of the LLC Act, and shall have the power and authority to execute, file and publish any certificates, notices, statements or other documents (and any amendments or restatements thereof) necessary to permit the Company to conduct business as a limited liability company in each jurisdiction where the Company elects to do business.

2.2 Name. The name of the limited liability company formed by the filing of the Certificate, as amended by the filing of the Certificate of Amendment is "New Mountain Finance Holdings, L.L.C." The business of the Company may be conducted under such other names as the Board may from time to time designate; provided that the Company complies with all applicable laws relating to the use of fictitious and assumed names.

2.3 Term. The term of the Company commenced as of the date of filing the Certificate and will continue in perpetuity; provided that the Company may be dissolved in accordance with the provisions of this Agreement or the LLC Act.

2.4 Principal Executive Offices. The Company's principal offices shall be located in 787 7th Avenue, 48th Floor, New York, NY 10019 or at such location as the Board determines from time to time in its sole discretion.

2.5 Registered Agent and Office. The address of the Company's registered office in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808. The name of the Company's registered agent at such address is Corporation Service Company. The Board may at any time designate a replacement registered agent or registered office or both.

2.6 Purpose. The purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be formed under the LLC Act (the "**Company Purposes**"); provided that the Company's business and operations shall be limited and conducted in such a manner that will (a) permit New Mountain Finance at all times to satisfy the requirements for qualification as a Business Development Company, unless New Mountain Finance voluntarily withdraws its election to be a Business Development Company in accordance with the requirements with respect thereto under the Investment Company Act, (b) permit New Mountain Finance at all times to satisfy the requirements for qualification as a regulated investment company under Subchapter M of the Code (a "**Regulated Investment Company**") unless New Mountain Finance ceases to qualify as a Regulated Investment Company for reasons other than the conduct of the business and operations of the Company or voluntarily revokes its election to be a Regulated Investment Company and (c) ensure that the Company will not be classified as a "publicly traded partnership" taxable as a corporation for purposes of Section 7704 of the Code except to the extent determined by the Board.

2.7 Powers. The Company shall have the power and authority to take any and all actions necessary, appropriate, desirable, advisable, incidental or convenient to, or for the furtherance of, the Company Purposes, alone or with other Persons; provided, however, that the Company shall not take any action that, or omit to take any action which omission, in the

judgment of the Board, (i) could adversely affect the ability of New Mountain Finance to qualify and to continue to qualify as a Business Development Company and a Regulated Investment Company or (ii) could subject New Mountain Finance to any additional taxes under Section 852 of the Code or Section 4982 of the Code or any other related or successor provision of the Code, unless any such action (or omission) under the foregoing clause (i) or (ii) shall have been specifically consented to by New Mountain Finance in writing. In connection with the foregoing, and without limiting New Mountain Finance's right to cease qualifying as a Business Development Company and/or a Regulated Investment Company, the Members acknowledge that New Mountain Finance's expected status as a Regulated Investment Company and the avoidance of income and excise taxes on New Mountain Finance inures to the benefit of all the Members and not solely New Mountain Finance. Notwithstanding the foregoing, the Non-NMF Members agree that New Mountain Finance may terminate its status as a Business Development Company and/or Regulated Investment Company at any time to the fullest extent permitted under applicable law.

ARTICLE 3
MEMBERS AND INTERESTS

3.1 Members.

(a) Each of Guardian Partners and Guardian AIV was previously admitted as a Member to the Company pursuant to the Initial LLC Agreement, as amended. Each Person named as a Member on Schedule A hereto on the date hereof shall be deemed to own the number of Common Membership Units specified in Schedule A.

(b) In addition to the information described in Section 3.1(a) hereof, Schedule A hereto contains the name and address of each Member as of the date hereof. The Company shall revise Schedule A (i) following the contribution by Guardian AIV to AIV Holdings of its Common Membership Units in exchange for common stock of AIV Holdings and the execution by AIV Holdings of the AIV Holdings Joinder Agreement, (ii) following the contribution by Guardian Partners to New Mountain Finance of its Common Membership Units in exchange for a number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units so contributed and the execution by New Mountain Finance of the New Mountain Finance Joinder Agreement, (iii) following the contribution by New Mountain Finance to

the Company of the proceeds of the Initial Public Offering and the Concurrent Offering in exchange for Common Membership Units pursuant to Section 5.2(a), (iv) following the exercise by the Underwriters of the Over-Allotment Option, if any, to reflect the issuance of additional Common Membership Units to New Mountain Finance pursuant to Section 5.2(a), (v) from time to time to reflect the issuance or Transfer of Units in accordance with the terms of this Agreement and other modifications to or changes in the information set forth therein, (vi) in accordance with Sections 3.3, 3.4, 5.2, 7.4, 8.2 and 9.1 and (vii) from time to time to reflect the issuance of Units to the Investment Adviser pursuant to the Investment Management Agreement. Any amendment or revision to Schedule A or to the Company's records as contemplated by this Agreement to reflect information regarding Members or under Section 3.3, 3.4, 5.2, 7.4, 8.2 or 9.1 and in accordance with such Sections shall be deemed to amend this Agreement, but shall not require the approval of any Member.

(c) Each of AIV Holdings and New Mountain Finance will be admitted as a Member of the Company only upon the execution and delivery of the AIV Holdings Joinder Agreement and the New Mountain Finance Joinder Agreement, respectively, and will not be considered to be a Member, and nothing in this Agreement, express or implied, is intended to confer upon either of AIV Holdings or New Mountain Finance any rights, remedies, duties or obligations of any nature whatsoever under or by reason of this Agreement, until such joinder agreement is executed by the Company. One or more additional Persons may be admitted as a Member of the Company only upon (i) an issuance of Units or other Company Interests pursuant to and in compliance with Sections 3.3 or 3.4 or a Transfer of Units pursuant to and in compliance with Article 8 and (ii) the execution and delivery by such Person of a counterpart to this Agreement or other written agreement, in a form reasonably satisfactory to the Board, to be bound by all the terms and conditions of this Agreement. Upon such execution, the Company shall amend Schedule A (which shall be deemed an amendment to this Agreement) to reflect the admission of such Person as a Member and such other information of such Person as indicated in Schedule A. Unless admitted to the Company as a Member as provided in this Section 3.1 or Section 8.2, no Person is, or will be considered to be, a Member.

(d) Notwithstanding the foregoing clause (c) of this Section 3.1, in no case will the Board admit any Member, issue any Equity Interests in the Company, consent to any Transfer or otherwise take any action if such admittance, issuance, Transfer or other action would cause the Company to be a partnership that has more than one hundred (100) partners within the meaning of Treasury Regulations Section 1.7704-1(h)(1)(ii).

(e) Subject to the other provisions of this Section 3.1 and Section 8.2, each Person that holds one or more Units in compliance with the terms of this Agreement shall be a Member. A Member will cease to be a Member when such Person ceases to own any Units in the Company, in which case Schedule A shall be amended by the Company to reflect that such Person is no longer a Member; provided that the failure to so amend Schedule A shall not affect such Person's status as a former Member.

(f) Except as provided in the LLC Act, this Agreement or as otherwise agreed by a Member, in no event shall any Member (or any former Member), by reason of its status as a Member (or former Member), have any liability or responsibility for (i) any Indebtedness, duties, Liabilities or any other obligations of the Company or any other Member (or any former Member) under this Agreement, (ii) the repayment of any Capital Contribution of any other Member or (iii) any act or omission of any other Member (or any former Member).

3.2 Meeting of Members.

(a) Annual Meeting. Subject to Section 3.2(h), an annual meeting of Members shall be held on such date and at such time as (i) shall be designated from time to time by the Board, but no less often than once during each calendar year starting with calendar year 2012, and (ii) stated in the notice of the meeting, at which meeting the Members entitled to vote shall transact such business as may properly be brought before the meeting. Subject to Section 3.2(h), the Company shall endeavor to have each such annual meeting of the Members occur concurrently with New Mountain Finance's annual meeting of stockholders (it being understood and agreed that New Mountain Finance's first annual meeting of stockholders will occur in 2012). At each annual meeting of the Members, the Members shall elect, subject to Section

3.2(g)(ii), Directors to succeed those whose terms expire and transact such other business as may properly be brought before the meeting.

(b) Special Meetings. A special meeting of Members, for any purpose or purposes, may be called by the Board upon giving written notice of the special meeting as set forth in clause (d) of this Section 3.2.

(c) Place and Conduct of Meetings. Meetings of the Members shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board and stated in the notice of the meeting or in a duly executed waiver of notice thereof. All meetings shall be conducted by such Person as the Board may appoint pursuant to such rules for the conduct of the meeting as the Board or such other Person deems appropriate. Such meetings may be held in person, by teleconference or by any other reasonable means, in each case in the sole discretion of the Board.

(d) Notice of Meetings. Written notice of an annual meeting or special meeting stating the place, if any, date and hour of the meeting, means of remote communications, if any, by which Members may be deemed to be present in person and vote at such meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by the Board no later than ten (10) calendar days nor more than ninety (90) days before the date of the meeting to each Member entitled to vote at such meeting, unless waived by each such Member. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communications, if any, by which Members may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which Members may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

(e) Waiver of Notice. No notice of any meeting of Members need be given to any Member who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(f) Quorum. The presence of the holders of a majority of all the Common Membership Units then outstanding and entitled to vote thereat, whether in person or represented by a valid written proxy, shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the Members, the Person conducting the meeting or the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from

time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

(g) Voting. (i) When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the voting power of the issued and outstanding Common Membership Units present in person or represented by proxy and entitled to vote thereon shall decide any question brought before such meeting, unless the question is one upon which by express provision of law (including the Investment Company Act or any other statute and rules and regulations of administrative agencies), or as otherwise set forth herein, a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by a class or classes or series or series of outstanding Units is required, the affirmative vote of the majority of voting power of such class or classes or series or series present in person or represented by proxy at the meeting and entitled to vote thereon shall be the act of such class or classes or series or series, unless the question is one upon which by express provision of law (including the Investment Company Act or any other statute and rules and regulations of administrative agencies) or as otherwise set forth herein, a different vote is required, in which case such express provision shall govern and control the decision of such question. Unless required by statute, or determined by the chairperson of the meeting to be advisable, the vote on any question need not be by ballot.

(ii) Subject to, and to the extent permitted by, the Investment Company Act, a nominee for Director shall be elected to the Board at a meeting if the votes cast for such nominee's election exceed the votes cast against such nominee's election; provided, however, that Directors shall be elected by a plurality of the votes cast for nominees who are validly nominated and qualified at any meeting of Members for which (i) a nominee for Director has also been nominated for election to the board of directors of New Mountain Finance by a stockholder of New Mountain Finance in compliance with the advance notice requirements for stockholder nominees for directors set forth in the bylaws of New Mountain Finance and (ii) such nomination has not been withdrawn as described in the bylaws of New Mountain Finance. If a Director is to be elected by a plurality of the votes cast, Members shall not be permitted to vote against a nominee.

(h) Action by Consent. Any consent required herein or action required to be taken at any meeting of Members, or any action which may be taken at any meeting of such Members, may be taken without a meeting, without a vote, without prior written notice and with a consent or consents in writing signed by Members who are holders of outstanding Common Membership Units having not less than the minimum number of votes, pursuant to clause (g) of this Section 3.2, that would be necessary to authorize or take such action at a meeting at which all Common Membership Units entitled to vote thereon were present and voted, other than any consent or action of Members pursuant to the Investment Company Act that requires the votes of Members to be cast in person at a meeting. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Members who are holders of Common Membership Units and who have not consented in writing; provided that the failure to give any such notice shall not affect the validity of the action taken by such written consent.

3.3 Membership Units.

(a) Units. The Interests in the Company may, to the extent permissible under the Investment Company Act, be represented by one or more classes of units (each, a "**Unit**"). The aggregate number of authorized Units that the Company is authorized to issue is 100,000,000 Common Membership Units. The aggregate number of authorized Units shall not be changed, modified or adjusted from that set forth in the immediately preceding sentence; provided, that, in the event the total number of authorized shares of New Mountain Finance Common Stock under the certificate of incorporation of New Mountain Finance shall be increased or decreased after the date of this Agreement, then the total number of authorized Units shall be automatically correspondingly increased or decreased by the same number so that the number of the authorized Units equals the number of authorized shares of New Mountain Finance Common Stock. Any Units repurchased by, or otherwise transferred to, the Company or otherwise forfeited (but not cancelled by the Company) shall thereafter be deemed to be authorized but unissued and may be subsequently issued as Units for all purposes hereunder in accordance with this Agreement; provided, however, that such Units will be deemed to be cancelled and thus not be available or authorized to be subsequently issued by the Company to the extent necessary to maintain a one-to-one ratio between the number of Common Membership Units authorized for issuance by the Company and the number of shares of New Mountain Finance Common Stock authorized for issuance by New Mountain Finance. Any Units repurchased by, or otherwise transferred to, the Company and cancelled by the Company shall thereafter not be available or authorized to be subsequently issued by the Company. Subject to Section 10.2, in the event that the Company issues an additional class of Units other than Common Membership Units, the Board shall make such revisions to this Agreement (including, but not limited to, the revisions described in Section 5.6 and Section 6.5), as it deems necessary to reflect the issuance of such additional Units.

(b) Register. Schedule A shall be the register of ownership of all Interests in the Company (including any outstanding Units) as provided in this Section and shall be the definitive record of ownership of all Interests in the Company (including any outstanding Units) and all relevant information with respect to each Member. Units shall be uncertificated and recorded in the books and records of the Company.

(c) Common Membership Units. The Common Membership Units shall consist of equal units (and may be issued in fractional units). The Common Membership Units shall have the rights and obligations set forth herein including being entitled to share in distributions and allocations as provided in Sections 5.5, 6.2, 6.3, 6.4 and 7.3, and as otherwise provided in this Agreement.

(d) Splits, Distributions and Reclassifications. Effective as of the date of this Agreement, all of the authorized and issued Units held by Guardian AIV and Guardian Partners shall be deemed to be reclassified, converted into and exchanged for Common Membership Units as set forth on Schedule A hereto. Other than as set forth in the immediately preceding sentence, neither the Company nor New Mountain Finance shall in any manner divide (by any split, distribution, reclassification, recapitalization or otherwise) or combine (by reverse split, reclassification, recapitalization or otherwise) any class or series of the outstanding Units or New Mountain Finance Securities (including, but not limited to, New Mountain Finance Common Stock) (an "**Adjustment Event**") unless an identical Adjustment Event is occurring with respect

to the corresponding class or series of Units or New Mountain Finance Securities, in which event, the Company and New Mountain Finance shall cause such class or series of Units or New Mountain Finance Securities to be divided or combined concurrently with and in the same manner as the corresponding class or series of Units or New Mountain Finance Securities subject to such Adjustment Event. Any Adjustment Event pursuant to this Section 3.3(d) resulting in a distribution to holders of a class of New Mountain Finance Securities must include an economically equivalent distribution to holders of the corresponding class or series of Units. In the event of a partial reclassification or a series of multiple transactions (whether related or not) whereby holders of a class of New Mountain Finance Securities receive or are entitled to receive more than a single type of consideration (determined based upon any form of stockholder election as applicable), New Mountain Finance and the Company shall cause holders of the corresponding class or series of Units to have the right, in the holder's sole discretion, to elect the type of consideration (in the same manner, and at the same time, as any such form of election available to such holders of New Mountain Finance Securities). Notwithstanding the foregoing, nothing in this Section 3.3(d) shall modify, alter or supersede the provisions of Section 10.2 of this Agreement or any other provision of this Agreement requiring the consent or approval of any Member to authorize or approve any transaction or event described in this Section 3.3(d).

(e) Issuances of New Mountain Finance Securities; Mergers, Consolidation, Etc.

(i) At any time New Mountain Finance issues any New Mountain Finance Securities, other than pursuant toSections 7.4 and 9.1 of this Agreement, the Company shall issue to New Mountain Finance (x) in the case of an issuance of shares of New Mountain Finance Common Stock, including any New Mountain Finance Stock Offering and issuances of shares of New Mountain Finance Common Stock pursuant to the Dividend Reinvestment Plan, an equal number of Common Membership Units, registered in the name of New Mountain Finance or (y) in the case of an issuance of any other New Mountain Finance Securities of any other class, type or kind, an equal number of corresponding Company Interests with designations, preferences and other rights, terms and conditions (other than financial covenants applicable to New Mountain Finance or its Subsidiaries) that are substantially the same as the designations, preferences and other rights, terms and conditions of the corresponding New Mountain Finance Securities, registered in the name of New Mountain Finance. Distributions used by the plan administrator of the Dividend

Reinvestment Plan to purchase New Mountain Finance Common Stock on the open market pursuant to the Dividend Reinvestment Plan shall not be considered to be received by New Mountain Finance for the purposes of this Section 3.3(e)(i) and, as a result, shall not require any additional issuance of Common Membership Units.

(ii) In the event of (A) any consolidation or merger or combination to which New Mountain Finance is a party (other than a merger in which New Mountain Finance is the continuing corporation and which does not result in any reclassification of, or change (other than in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination) in the number of, outstanding shares of New Mountain Finance Common Stock) or (B) any sale, Transfer or other disposition of all or substantially all of the assets of New Mountain Finance, directly or indirectly, to any Person, as a result of which holders of New Mountain Finance Common Stock shall be entitled to receive either stock,

securities or other property or assets (including cash) as consideration with respect to or in exchange for New Mountain Finance Common Stock, then New Mountain Finance shall take all necessary action such that the Common Membership Units then outstanding and held by Non-NMF Members shall be exchangeable on a per-Common Membership Unit basis at any time or from time to time following such event at the option of each Non-NMF Member into the kind and amount of shares of stock and/or other securities and property (including cash) that would have been receivable by such Non-NMF Members upon such consolidation, merger, sale, Transfer or other disposition had the Non-NMF Members held an equivalent amount of New Mountain Finance Common Stock (equal to the number of Common Membership Units held by such Non-NMF Members) immediately prior to the record date for such reclassification, change, combination, consolidation, merger, sale, Transfer or other disposition. If the holders of New Mountain Finance Common Stock, upon the occurrence of any event set forth in (A) or (B) of this clause (ii), shall be entitled to receive more than a single type of consideration for such shares of New Mountain Finance Common Stock (including cash, stock or other securities), then New Mountain Finance shall take all necessary action such that Common Membership Units held by the Non-NMF Members shall be exchangeable at any time or from time to time following such event at the option of the Non-NMF Member on a per-Common Membership Unit basis (as prescribed in the foregoing sentence) into the types of consideration available to, and consistent with the per share exchange ratio applicable to, holders of New Mountain Finance Common Stock at the occurrence of such event; provided, that, if pursuant to such event, holders of New Mountain Finance Common Stock receive or are entitled to receive more than a single type of consideration determined based, in whole or in part, upon any form of stockholder election, the Non-NMF Members shall have the right to elect the type of security that such Non-NMF Member shall be entitled to receive under this clause (ii) in a manner substantially similar to, and at the same time of, the election available to such holders of New Mountain Finance Common Stock. If pursuant to the provision set forth in the foregoing sentence, holders of New Mountain Finance Common Stock are entitled to receive cash, in addition to other type(s) of consideration, the Non-NMF Member shall have the right, in its sole discretion to exchange all or any portion of such Non-NMF Member's Common Membership Units for cash only. In the event that following the occurrence of any event set forth in (A) or (B) of this clause (ii) there is any concentrative or dilutive action taken by the successor entity to New Mountain Finance (including, without limitation, any dividend paid by such successor entity without a commensurate distribution to the Non-NMF Members of the Company), the ratio by which Common Membership Units are exchangeable into stocks or securities pursuant to this Section 3.3(e)(ii) shall be appropriately adjusted to reflect consideration received by holders of such stock or securities and not received by the Non-NMF Members holding Common Membership Units which would have been received had such Common Membership Units been exchanged into such stock or securities immediately prior to the record date for such event.

(f) Cancellation of Securities and Units.

(i) New Mountain Finance shall not undertake any redemption, repurchase, acquisition, exchange, cancellation or termination of any share of New Mountain Finance Common Stock that is not accompanied by a substantially contemporaneous prior (including economically equivalent consideration paid) redemption, repurchase, acquisition, cancellation or termination of Common Membership Units registered in the name of New Mountain Finance in order to maintain a one-to-one ratio between the number of Common

Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock issued and outstanding and not held in treasury, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Common Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock issued and outstanding and not held in treasury. Schedule A shall be revised by the Company to reflect any such redemption, repurchase, acquisition, cancellation or termination.

(ii) New Mountain Finance shall not undertake any redemption, repurchase, acquisition, incurrence, repayment, exchange, cancellation or termination of any New Mountain Finance Securities (other than shares of New Mountain Finance Common Stock that are subject to subsection (f)(i) above), that is not accompanied by a substantially contemporaneous prior (including economically equivalent consideration paid) redemption, repurchase, acquisition, incurrence, repayment, exchange, cancellation or termination of the corresponding Company Interest in order to maintain a one-to-one ratio between the number of applicable Company Interests and the number of corresponding New Mountain Finance Securities, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Company Interests and the number of corresponding New Mountain Finance Securities. Schedule A shall be revised by the Company to reflect any such redemption, repurchase, acquisition, incurrence, repayment, exchange, cancellation or termination.

(g) One-to-One Ratio of Units/Interests held by New Mountain Finance and New Mountain Finance Securities. The intent of this Agreement, including this Section 3.3, Section 3.4 and Section 5.2, is to ensure, among other things, that a one-to-one ratio is at all times maintained between (A) the number of Common Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock outstanding and (B) the number of Company Interests held by New Mountain Finance of each type or kind issued and the number of corresponding New Mountain Finance Securities (of such type or kind issued) outstanding, and such provisions shall be interpreted consistently with such intent. The Company and New Mountain Finance must take all necessary action in order to maintain the one-to-one ratio if in the future New Mountain Finance determines to issue options or other types of equity compensation to individuals that provide services to the Company, to the extent it is permitted to do so under the Investment Company Act.

(h) Notice. New Mountain Finance shall give written notice thereof to all holders of Units (based on the ledger of ownership of the Company) at least twenty (20) days prior to (i) the date on which New Mountain Finance sets a record date for determining rights in connection with a (x) merger, tender offer, reorganization, recapitalization, reclassification or other change in the capital structure of New Mountain Finance (y) any transaction identified in Section 3.3(e) or (z) any Adjustment Event pursuant to this Section 3.3(d) and (ii) if no such record date is set, the date of such foregoing event.

(i) Transfer. Upon any Transfer permitted under this Agreement, Schedule A shall be revised by the Company to reflect (i) the number, type and kind of Units being Transferred by the Transferring Member, (ii) the number, type and kind of Units Transferred to the transferee and (iii) the remaining number, type and kind of Units held by the Transferring Member.

3.4 Authorization and Issuance of Additional Units. The Company shall only be permitted to issue additional Units or other Equity Interests in the Company to the Persons and on the terms and conditions provided for in Section 3.3, this Section 3.4 and Section 5.2. Except as otherwise provided in this Agreement or as otherwise required by the Investment Company Act, the Board may cause the Company to issue additional Units authorized under this Agreement at such times and upon such terms as

the Board shall determine. This Agreement shall be amended as necessary in connection with (a) the issuance of additional Units and Company Interests and (b) the admission of additional Members under this Agreement, each in accordance with the requirements of Section 10.2 of this Agreement.

ARTICLE 4
MANAGEMENT AND OPERATIONS

4.1 Board.

(a) Generally. The business and affairs of the Company shall be managed by or under the direction of a Board of Directors (the "**Board**") consisting of such number of natural persons (each a "**Director**") as shall be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board; provided, however, that the number of Directors shall not be less than three (3) nor more than fifteen (15). Nominations of persons for election to the Board shall be made by or at the direction of the Board (or any duly authorized committee thereof); provided that the Board shall endeavor to nominate the same slate of director nominees for election by Members as New Mountain Finance nominates for election as directors of New Mountain Finance. Directors need not be Members. Subject to the other provisions of this Article IV, the Board shall have sole discretion to manage and control the business and affairs of the Company, including to delegate to agents, officers and employees of the Company, and to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, to exercise all of the powers of the Company set forth in Section 2.7 of this Agreement. Each person named as a Director herein or subsequently appointed as a Director is hereby designated as a "manager" (within the meaning of the LLC Act) of the Company. Except as otherwise provided in Section 2.1(c) and notwithstanding the last sentence of Section 18-402 of the LLC Act, no single Director may bind the Company, and the Board shall have the power to act only collectively in accordance with the provisions and in the manner specified herein. Each Director shall hold office until the annual meeting for the year in which such Director's term expires and until a successor is appointed in accordance with this Section 4.1 or until the earlier of such Director's death, resignation or removal in accordance with the provisions hereof. Notwithstanding any other provisions of this Agreement or the LLC Act, any action by the Board or the Company or any decision of the Board or the Company to refrain from acting, undertaken in the good faith belief that any such action or omission is necessary or advisable in order to (i) protect the ability of New Mountain Finance to continue to qualify as a Business Development Company and/or a Regulated Investment Company or (ii) prevent New Mountain Finance from incurring any taxes under Section 852, 4982 or any other provision of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Members.

(b) Classified Board. As of the IPO Date, the Directors shall be divided into three classes and designated Class I, Class II, and Class III. The Board may assign Directors

already in office immediately prior to the IPO Date to such classes. The initial term of the Class I Directors shall expire at the first annual meeting of Members to be held after the IPO Date, the initial term of the Class II Directors shall expire at the second annual meeting of Members to be held after the IPO Date, and the initial term of the Class III Directors shall expire at the third annual meeting of Members to be held after the IPO Date. Directors of each class shall hold office until their successors are duly elected and qualified or until such Director's earlier death, resignation or removal. At each annual meeting of Members following the IPO Date, the successors of the class of Directors whose term expires at that meeting shall be elected to hold office for a term expiring at the third succeeding annual meeting of Members after their election. No decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director.

(c) Current Directors. Subject to the right to increase or decrease the authorized number of Directors pursuant to the first sentence of Section 4.1(a), the Board shall consist of 5 Directors. The Class I Directors shall be Alfred F. Hurley, Jr., the Class II Directors shall be Robert Hamwee and David Ogens and the Class III Directors shall be Steven B. Klinsky and Kurt J. Wolfgruber.

(d) Meetings of the Board. The Board shall meet at such time as determined by a majority of the votes held by all Directors to discuss the business of the Company. The Board may hold meetings either within or without the State of Delaware. The Company and the Board shall give all Directors at least one day's notice of all meetings of the Board.

(e) Quorum and Acts of the Board. At all meetings of the Board, a quorum shall consist of not less than a number of Directors holding a majority of the votes held by all Directors. Except as otherwise expressly required by law or by this Agreement, the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. Each Director shall be entitled to one vote on each matter that comes before the Board. Any action that may be taken at a meeting of the Board or any committee thereof may also be taken by written consent of Directors holding a majority of the votes held by all Directors or members of the committee holding a majority of the votes held by all members of the committee in lieu of a meeting, other than any action of the Board pursuant to the Investment Company Act that requires the votes of members of the Board to be cast in person at a meeting.

(f) Electronic Communications. Directors, or members of any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting; provided, however, that this Section 4.1(f) does not apply to any action of the Board pursuant to the Investment Company Act that requires the votes of members of the Board to be cast in person at a meeting.

(g) Committees of Directors. The Board may, by resolution passed by a majority of the votes held by all Directors, designate one or more committees. Such resolution shall specify the duties, quorum requirements, number of votes and qualifications of each of the members of such committees, each such committee to consist of such number of Directors as the Board may fix from time to time; provided that the Board shall endeavor to comprise each of its respective committees with the same members as New Mountain Finance's respective

committees. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(h) Expenses. The Company shall pay the reasonable out-of-pocket expenses incurred by each Director in connection with performing his duties as a Director, including, without limitation, the reasonable out-of-pocket expenses incurred by such person for attending meetings of the Board or meetings of any board of directors or other similar managing body of any Subsidiary.

(i) Resignation. Any Director may resign at any time by giving written notice to the Company. The resignation of any Director shall take effect upon receipt of such notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation by the Company, the Members or the remaining Directors shall not be necessary to make it effective. Upon the effectiveness of any such resignation, such Director shall cease to be a "manager" (within the meaning of the LLC Act).

(j) Removal of Directors. Any Director may be removed from office at any time, at a meeting called for that purpose, but only for cause (as such term is used in Section 141(k) of the Delaware General Corporation Law) and only by the affirmative vote of the holders of at least seventy-five percent of the voting power of the Common Membership Units. Upon the taking of such action, the Director shall cease to be a "manager" (within the meaning of the LLC Act). Any vacancy caused by any such removal shall be filled in accordance with Section 4.1(k).

(k) Vacancies. Subject to the applicable requirements of the Investment Company Act, including Section 16 thereof, newly created directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board resulting from death, resignation, disqualification, removal from office or any other cause shall, unless otherwise required by law or provided by resolution of the Board, be filled only by majority vote of the Directors then in office, even if less than a quorum is then in office, or by the sole remaining Director, and shall not be filled by the Members. Directors so chosen to fill a newly created directorship or other vacancies shall serve for a term expiring at the annual meeting of Members at which the term of office of the class to which they have been chosen expires and shall hold office until such Director's successor has been duly elected and qualified or until his or her earlier death, resignation or removal as provided in this Agreement. If any vacancies shall occur in the Board, by reason of death, resignation, disqualification, removal from office or any other cause, the Directors then in office shall continue to act, and actions that would otherwise be required to be taken by a majority of the Directors may be taken by a majority of the Directors

then in office, even if less than a quorum and shall be fully as effective as if taken by a majority of the Directors.

4.2 Information Relating to the Company.

(a) In addition to any information required to be provided pursuant toSection 6.7 or Section 6.10, the Company shall supply to a Member as soon as reasonably practicable after written request therefor any information required to be available to the Members under the LLC Act and any other information reasonably requested by such Member regarding the Company or its activities (including copies of all books and accounts, documents and other information in order to enable such Member to monitor its investment in the Company, exercise its rights under this Agreement and such other information as may be reasonably required to enable such Member to account for its investment in the Company and otherwise comply with the requirements of applicable laws, GAAP, the generally accepted accounting principles or other accounting requirements of any Member and the requirements of any Government Authority), provided that obtaining the information requested is not unduly burdensome to the Company (it being understood that any information necessary for a Member to account for its investment in the Company under the generally accepted accounting principles or other accounting requirements applicable to such Member shall not be deemed unduly burdensome).

(b) During ordinary business hours, each Member and its authorized representative shall have access to all books, records and materials in the Company's offices regarding the Company or its activities.

(c) The Company shall notify a Member if the Company considers any information received pursuant to thisSection 4.2 to be Confidential Information. Any such Confidential Information will be subject to the provisions of Section 10.4 of this Agreement.

4.3 Insurance. The Company shall maintain or cause to be maintained in force at all times, for the protection of the Company and the Members to the extent of their insurable interests, such insurance as the Board believes is warranted for the operations being conducted.

4.4 Officers.

(a) The Board may, from time to time, designate one or more Persons to fill one or more officer positions of the Company pursuant to the Administration Agreement or otherwise. Any officers so designated shall have such titles and authority and perform such duties as the Board may, from time to time, delegate to them. If the title given to a particular officer is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made to such officer, or restrictions placed thereon, by the Board. Each officer shall hold office until his or her successor is duly designated, until his or her death or until he or she resigns or is removed in the manner hereinafter provided. Any number of offices may be held by the same Person. The salaries or other compensation, if any, of the officers of the Company shall be fixed from time to time by the Board.

(b) Any officer of the Company may resign at any time by giving written notice thereof to the Board. Any officer may be removed, either with or without cause, by the Board whenever in its judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Designation of an officer shall not, by itself, create contract rights.

4.5 Certain Costs, Fees and Expenses. The Company shall pay, or cause to be paid, costs, fees, operating expenses and other expenses of the Company and New Mountain Finance (including, but not limited to, the costs, fees and expenses of attorneys, accountants or other professionals and the compensation of personnel providing services to the Company or New Mountain Finance, any underwriter's discount or other expenses paid or incurred in connection with the issuance of New Mountain Finance Securities and any claims for indemnification or advancement) incurred in pursuing and conducting, or otherwise related to, the business and activities, including intended business and activities, of the Company and New Mountain Finance, including (i) for any acquisitions, financing transactions or any other transactions, whether or not consummated, (ii) pursuant to the Administration Agreement and the Investment Management Agreement and (iii) pursuant to any indemnification agreements that the Company or New Mountain Finance may enter into from time to time.

4.6 Certain Duties and Obligations of the Members. To the fullest extent permitted by law, under no circumstance shall the Members constitute fiduciaries of any other Member or the Company, or owe any fiduciary or other duties or obligations to any other Member or the Company, whether express, implied or otherwise existing (but for this provision) by operation of law or application of legal or equitable principles, and any and all such duties and obligations, and any and all Claims and causes of action which may be based thereon, are hereby expressly waived and relinquished by the Members. Except as otherwise provided in this Agreement, no Member shall have any authority to act for, bind, commit or assume any obligation or responsibility on behalf of the Company, its properties or any other Member.

4.7 Limitation of Liability; Exculpation.

(a) No (i) Director or Member of the Company, nor any of their respective Subsidiaries or Affiliates nor (ii) any of their respective direct or indirect officers, directors, trustees, members, managers, partners, equity holders, employees or agents (each, a "**Representative**"), nor (iii) any of their heirs, executors, successors and assigns, shall be liable to the Company or any Member for any act or omission by such individual or entity in connection with the conduct of affairs of the Company or otherwise incurred in connection with the Company or this Agreement or the matters contemplated herein, in each case unless such act or omission was the result of gross negligence or willful misconduct or constitutes a breach of, or a failure to comply with this Agreement. Except as provided in the LLC Act, the Investment Company Act, this Agreement or as otherwise expressly agreed, in no event shall the Directors (or any former Director), by reason of his or her status as Director (or former Director), have any liability or responsibility for (i) any Indebtedness, duties, Liabilities or any other obligations of the Company, any other Member or former Member or any other Director or former Director, (ii) the repayment of any Capital Contribution of any Member (other than himself) or (iii) any act or omission of any other Member (or former Member) or any other Director (or former Director). To the extent any portion of this Section 4.7 directly conflicts with any of the Transaction

Documents, other than this Agreement, such other Transaction Document shall control with respect to the matters set forth therein.

(b) Notwithstanding any other provision of this Agreement or other applicable provision of law or equity, whenever in this Agreement a Member, Director or officer of the Company is permitted or required to make a decision (i) in its "sole discretion," or under a grant of similar authority or latitude, such Member, Director or officer shall be entitled to consider only such interests and factors as it desires and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Company or the Members, or (ii) in its "good faith" or under another expressed standard, such Member, Director or officer shall act under such express standard and shall not be subject to any other or different standards.

(c) Any Member, Liquidator, Director or officer of the Company may consult with legal counsel and accountants selected by it at its expense or with legal counsel and accountants for the Company at the Company's expense. Each Member, Liquidator, Director and officer of the Company shall be fully protected in relying in good faith upon the records of the Company and upon information, opinions, reports, or statements presented by another Member, Liquidator, Director or officer, or employee of the Company, or committees of the Board, Liquidator or the Company, or by any other Person (including, without limitation, legal counsel and public accountants) as to matters that the Member, Liquidator, Director or officer reasonably believes are within such other Person's professional or expert competence, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, Net Income or Net Losses of the Company, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the Company or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to Members or creditors might properly be paid.

4.8 Indemnification.

(a) Indemnification Rights. Each Person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that he is or was a Director or officer of the Company or is or was serving at the request of the Company as a director or officer of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including, without limitation, service with respect to an employee benefit plan (hereinafter, an "**Indemnitee**"), whether the basis of such proceeding is alleged action in an official capacity as a Director or officer or in any other capacity while so serving, shall be indemnified and held harmless by the Company to the full extent permitted by the LLC Act and the Investment Company Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), or by other applicable law as then in effect, against all expense, liability and loss (including, without limitation, attorneys' fees, costs and charges, judgments, fines, excise taxes or penalties under ERISA, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such Indemnitee in

connection therewith; *provided, however*, that except as provided in Section 4.8(c) with respect to proceedings to enforce rights to indemnification and advancement, the Company shall indemnify any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board. Notwithstanding anything to the contrary in this Section 4.8(a) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, the Company shall not indemnify an Indemnitee to the extent such indemnification would violate the Investment Company Act.

(b) Advances for Expenses. Expenses (including, without limitation, attorneys' fees, costs and charges) incurred by an Indemnitee in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of an Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such Indemnitee is not entitled to be indemnified by the Company as authorized in this Section 4.8; *provided, however*, that except as provided in Section 4.8(c) with respect to proceedings to enforce rights to indemnification and advancement, the Company shall advance expenses of any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board. The Board may, upon approval of such Indemnitee, authorize the Company's counsel to represent such person in any proceeding, whether or not the Company is a party to such proceeding. Notwithstanding anything to the contrary in this Section 4.8(b) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, the Company shall not advance an Indemnitee any expenses to the extent such advancement would violate the Investment Company Act.

(c) Procedure for Indemnification and Advancement. Any indemnification or advance of expenses (including, without limitation, attorney's fees, costs and charges) under this Section 4.8 shall be made promptly, and in any event within sixty (60) days, or, in the case of a claim for an advancement of expenses, within twenty (20) days, upon the written request of an Indemnitee (and, in the case of advance of expenses, receipt of a written undertaking by or on behalf of such Indemnitee to repay such amount if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified therefor pursuant to the terms of this Section 4.8). The right to indemnification or advances as granted by this Section 4.8 shall be enforceable by such Indemnitee in any court of competent jurisdiction, if the Company denies such request, in whole or in part, or if no disposition thereof is made within sixty (60) days (or twenty (20) days with respect to advancement of expenses). To the full extent permitted by law, such Indemnitee's costs and expenses incurred in connection with successfully establishing his or her right to indemnification or advancement, in whole or in part, in any such action shall also be indemnified by the Company. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses (including, without limitation, attorney's fees, costs and charges) under this Section 4.8 where the required undertaking, if any, has been received by the Company) that the claimant has not met the standard of conduct set forth in the LLC Act, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), but the burden of proving such defense shall be on the Company. Neither the

failure of the Company (including its Directors who are not parties to such action, a committee of such Directors, independent legal counsel or the Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the LLC Act, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), nor the fact that there has been an actual determination by the Company (including its Directors who are not parties to such action, a committee of such Directors, independent legal counsel or the Members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. Notwithstanding anything to the contrary in this Section 4.8(c) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, any advancement of expenses pursuant to this Section 4.8 shall be subject to at least one of the following as a condition of the advancement: (a) the Indemnitee shall provide a security for his or her undertaking, (b) the Company shall be insured against losses arising by reason of any lawful advances or (c) (i) a majority of Directors of the Company who are and were not a party to the proceeding in respect of which advancement or indemnification is being sought or (ii) Independent Counsel (as defined below), in a written opinion, shall determine based on a review of readily available facts (as opposed to a full-trial-type inquiry), that there is reason to believe that the Indemnitee ultimately will be found entitled to indemnification.

For purposes of the paragraph above, "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to or witness in the proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine such Indemnitee's rights hereunder.

(d) Other Rights; Continuation of Right to Indemnification. The indemnification and advancement of expenses provided by this Section 4.8 shall not be deemed exclusive of any other rights to which a Person seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement, vote of Members or Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Company, and shall continue as to a person who has ceased to be a Director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification or advancement under this Section 4.8 shall be deemed to be a contract between the Company and each Indemnitee. Any repeal or modification of this Section 4.8 or any repeal or modification of relevant provisions of the LLC Act or any other applicable laws shall not in any way diminish any rights to indemnification of such Indemnitee or the obligations of the Company arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such repeal or modification.

(e) Assets of the Company. Any indemnification under this Section 4.8 shall be satisfied solely out of the assets of the Company, and no Member shall be subject to personal liability or required to fund or cause to be funded any obligation by reason of these indemnification provisions.

(f) Insurance. The Company shall have power to purchase and maintain insurance on behalf of any Person who is or was or has agreed to become a Director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (including, without limitation, with respect to an employee benefit plan), against any liability asserted against the Person and incurred by the Person or on the Person's behalf in any such capacity, or arising out of the Person's status as such, whether or not the Company would have the power to indemnify the Person against such liability under the provisions of this Section 4.8 or the LLC Act; *provided, however*, that such insurance is available on acceptable terms, which determination shall be made by a vote of a majority of the Board.

(g) Indemnification of Employees and Agents of the Company. The Company may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Company to the full extent of the provisions of this Section 4.8 with respect to the indemnification and advancement of expenses of Directors and officers of the Company.

(h) Savings Clause. If this Section 4.8 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless provide indemnification and advancement to each Indemnitee entitled to such indemnification and advancement pursuant to Sections 4.8(a) and (b) to the full extent permitted by any applicable portion of this Section 4.8 that shall not have been invalidated and to the full extent permitted by applicable law.

4.9 Title to Assets; Liens. Unless specifically licensed or leased to the Company, title to the assets of the Company, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Members, individually or collectively, shall have any ownership interest in such assets or any portion thereof or any right of partition. The Company shall be permitted to create, incur, assume or permit to exist Liens on any assets (including Equity Interests or other securities of any Person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof.

4.10 New Mountain Finance Conduct of Business Only Through the Company. Except as provided in this Agreement, or as may be otherwise provided in any written agreement by and among the Members, New Mountain Finance shall not directly or indirectly engage in or conduct any business or venture (whether or not operated through a separate legal entity or as part of a larger corporation or other entity), other than (i) any business or venture that is held in, or conducted through, the Company or (ii) any business or venture entered into in connection with (x) the acquisition, ownership or disposition of its Common Membership Units, (y) New Mountain Finance's operation as a public reporting company with a class of securities registered under the Exchange Act and (z) such other activities that are incidental to the foregoing. The

requirements of this Section 4.10 shall apply to New Mountain Finance so long as New Mountain Finance, including any successor, is a Member of the Company.

4.11 Credit Agreement Covenants. (a) So long as the Credit Agreement shall remain in effect, the Company shall comply with the covenants listed on Schedule B hereto; provided, however, if compliance with any of the covenants, representations or warranties in the Credit Agreement are waived pursuant to the terms of the Credit Agreement, compliance with the analogous covenant listed on Schedule B shall likewise be waived as specified in the Credit Agreement waiver.

(b) In the event the Credit Agreement is terminated or expires by its terms, the provisions of this Section 4.12 shall be deemed deleted and shall have no further force or effect, and the Company shall no longer be required to comply therewith.

(c) The Board may amend Schedule B from time to time by resolution adopted by affirmative vote of a majority of the entire Board solely to conform in substance the provisions of Schedule B to the Credit Agreement.

ARTICLE 5
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

5.1 Capital Contributions.

(a) Except as set forth in this Agreement or any other Transaction Document, no Member shall be required or permitted to make any other capital contribution to, or provide credit support for, the Company.

(b) No Member shall be entitled to withdraw, or demand the return of, any part of its Capital Contributions or Capital Account. No Member shall be entitled to interest on or with respect to any Capital Contribution or Capital Account.

(c) Except as otherwise provided in this Agreement, no Person shall have any preemptive, preferential or similar right to subscribe for or to acquire any Units.

5.2 Contribution of Proceeds of Issuance of Securities by New Mountain Finance.

(a) (i) On the date of the completion of the Initial Public Offering and the Concurrent Offering, New Mountain Finance shall contribute to the Company the gross proceeds of the Initial Public Offering and the Concurrent Offering in exchange for Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance in the Initial Public Offering and the Concurrent Offering; (ii) in the event the Underwriters of the Initial

Public Offering exercise the Over-Allotment Option, New Mountain Finance shall contribute to the Company the gross proceeds received upon the exercise of the Over-Allotment Option in exchange for Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance pursuant to the Over-Allotment Option; and (iii) in connection with any other New Mountain Finance Stock Offering, New Mountain Finance shall contribute to the Company any gross proceeds raised in

connection with such issuance in exchange for Common Membership Units or Company Interests pursuant to Section 3.3(e)(i).

(b) If the Company issues Common Membership Units or other Company Interests to New Mountain Finance pursuant to Section 3.3(e)(i) other than in connection with a New Mountain Finance Stock Offering, New Mountain Finance shall contribute to the Company (i) the proceeds, if any and as determined in the reasonable judgment of the Board, whether in cash or other property, received by New Mountain Finance with respect to the issuance of New Mountain Finance Securities no later than the close of business on the Business Day following the receipt of any such proceeds by New Mountain Finance and (ii) any reinvested distributions, if any and as determined in the reasonable judgment of the Board, whether in cash or other property, received by New Mountain Finance pursuant to the Dividend Reinvestment Plan no later than the close of business on the Business Day following the dividend payment date associated with such distributions by New Mountain Finance.

5.3 Loans from Members. Loans by Members to the Company shall not be considered contributions to the capital of the Company hereunder. If any Member shall advance funds to the Company in excess of the amounts required to be contributed to the capital of the Company, the making of such advances shall not result in any increase in the amount of the Capital Account of such Member and shall be payable or collectible in accordance with the terms and conditions upon which advances are made; provided that the terms of any such loan shall not be less favorable to the Company, taken as a whole, than would be available to the Company from unrelated lenders and such loan shall be approved by the Board.

5.4 Loans from Third Parties. The Company and its Subsidiaries may incur Indebtedness, or enter into other similar credit, guarantee, surety, financing or refinancing arrangements for any purpose with any Person upon such terms as the Board determines appropriate, including to guarantee or provide other credit support arrangements for the benefit of its Subsidiaries or New Mountain Finance; provided that neither the Company nor any of its Subsidiaries shall incur any Indebtedness that is recourse to any Member, except to the extent otherwise agreed to in writing by the applicable Member in its sole discretion.

5.5 Distributions. All distributions made by the Company shall be made in accordance with this Section 5.5.

(a) Distributions of cash from the Company shall be made by the Board, in its sole discretion, at such times as the Board shall determine from time to time, to the Members holding Common Membership Units, pro rata in accordance with their Percentage Interests. It is intended that distributions made by the Company will be made in such amounts as shall enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a Regulated Investment Company. The Board shall make such reasonable efforts, as determined by it in its sole discretion and consistent with New Mountain Finance's qualification as a Regulated Investment Company, to cause the Company to distribute sufficient amounts to enable New Mountain Finance, for so long as New Mountain Finance has determined to qualify as a Regulated Investment Company, to pay stockholder dividends that will allow New Mountain Finance to (a) satisfy the requirements for New Mountain Finance's qualification as a Regulated Investment Company under the Code and Regulations and (b) except to the extent

otherwise consented to in writing by New Mountain Finance, avoid any federal income or excise tax imposed on New Mountain Finance under the Code.

(b) Liquidating Distributions. All distributions to the Members made in connection with the sale, exchange or other disposition of all or substantially all of the Company's assets, or with respect to the winding up and liquidation of the Company, shall be made among the Members holding Common Membership Units pro rata in accordance with their respective positive Capital Account balances. Any in-kind distribution of assets of the Company in connection with a winding up and liquidation of the Company or a deemed liquidation of the Company by reason of a termination of the Company pursuant to Section 708(b)(1)(A) of the Code will be made among the Members holding Common Membership Units pro rata on a gross basis with respect to each such asset in accordance with the Members' respective positive Capital Account balances.

(c) Limitations on Distributions. Notwithstanding anything in this Agreement to the contrary, no distribution shall be made in violation of the LLC Act.

(d) Exculpation. The Members hereby consent and agree that, to the fullest extent permitted by applicable law, (i) no Member shall have any obligation to return amounts distributed to such Member by the Company notwithstanding the fact that such amounts were distributed in violation of Section 18-607 or Section 18-804 of the LLC Act or other applicable law and (ii) the provisions of this Section 5.5(d) are intended to be a compromise under Section 18-502(b) of the LLC Act.

5.6 Revisions to Reflect Issuance of Additional Units. Subject to Section 10.2, in the event that the Company issues an additional class of Units other than Common Membership Units pursuant to Article 3 of this Agreement, the Board shall make such revisions to this Agreement, including this Article 5, as it reasonably deems necessary to reflect the issuance of such additional Units.

ARTICLE 6
BOOKS AND RECORDS; TAX; CAPITAL ACCOUNTS; ALLOCATIONS

6.1 General Accounting Matters.

(a) The Board shall keep, or cause to be kept, books and records pertaining to the Company's business showing all of its assets and liabilities, receipts and disbursements, Net Income and Net Losses, Members' Capital Accounts and all transactions entered into by the Company. Such books and records of the Company shall be kept at the office of the Company or at the office of a party authorized by an officer of the Company to keep such books and records, and, subject to the confidentiality provisions of this Agreement, the Members and their representatives shall at all reasonable times have free access thereto for the purpose of inspecting or copying the same.

(b) The Company's books of account shall be kept on an accrual basis in accordance with GAAP or as otherwise provided by the Board, except that for U.S. federal, state and local income tax purposes such books shall be kept in accordance with applicable tax accounting principles.

6.2 Capital Accounts.

(a) The Company shall maintain for each Member on the books of the Company a capital account (a "**Capital Account**"). Each Member's Capital

Account shall be maintained in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv) and the provisions of this Agreement.

(b) (i) The Capital Account of each Member shall be credited with the amount of all Capital Contributions by such Member to the Company. The Capital Account of each Member shall be increased by (1) the amount of any Net Income (or items of gross income or gain) allocated to such Member pursuant to this Article 6 and (2) the amount of any liabilities of the Company that are assumed by such Member (except for liabilities described in Section 6.2(b)(ii)(3) that are assumed by such Member) for purposes of Treasury Regulations section 1.704-1(b)(2)(iv)(c).

(ii) The Capital Account of each Member shall be decreased by (1) the amount of any Net Losses (or items of loss or deduction) allocated to such Member pursuant to this Article 6, (2) the amount of any cash distributed to such Member, (3) the fair market value of any asset distributed in kind to such Member (net of all liabilities that such Member is considered to assume or take the asset subject to) and (4) the amount of any liabilities of such Member that are assumed by the Company (except for liabilities described in the definition of Capital Contribution that are assumed by the Company) for purposes of Treasury regulations section 1.704-1(b)(2)(iv)(c).

(iii) The Capital Account of each Member also shall be adjusted appropriately to reflect any other adjustment required pursuant to Treasury Regulations Section 1.704-1 or 1.704-2.

(c) Allocations of Net Income or Net Losses to the Capital Accounts pursuant to Section 6.2(b) shall be made at the end of each Fiscal Quarter, at such times as the Carrying Value of Company assets is adjusted pursuant to the definition thereof and at such other times as required by this Agreement. Net Income and Net Losses shall be allocated to the Members pro-rata in accordance with their respective Percentage Interests. An allocation to a Member of a share of Net Profit or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Profit or Net Loss. It is the intent of the Members that the allocations of Net Income or Net Losses under this Agreement have substantial economic effect (or be consistent with the Members' interests in the Company) within the meaning of Section 704(b) of the Code as interpreted by the Treasury regulations promulgated thereto. Article 6 and other relevant provisions of this Agreement shall be interpreted in a manner consistent with such intent.

(d) In the event that any Unit or Interest in the Company is Transferred, including the Transfer of Common Membership Units from Guardian Partners to New Mountain Finance, the Transfer of Common Membership Units from Guardian AIV to AIV Holdings and the Transfer of Common Membership Units from AIV Holdings to New Mountain Finance pursuant to Section 7.4 or Article 9 hereof, (i) the transferee of such Unit or Interest shall succeed to the pro rata portion of the transferor's Capital Account attributable to such Unit or Interest, and (ii) Net Income or Net Losses allocable among the Members during the fiscal year

of the Company in which such Transfer occurs shall be allocated between the transferor and the transferee Member either (x) as if the Company's fiscal year had ended on the date of the transfer, or (y) based on the number of days of such fiscal year that each was a Member without regard to the results of Company activities in the respective portions of such fiscal year in which the transferor and the transferee were Members, as determined by the Board.

6.3 Allocations of Net Income and Net Losses for U.S. Federal Income Tax Purposes

(a) Except as otherwise provided in Section 6.3(b), for U.S. federal income tax purposes, each item of income, gain, loss, deduction and credit of the Company for each taxable year of the Company shall be allocated among the Members in the same manner as its corresponding item of "book" income, gain, loss, deduction and credit is allocated pursuant to Section 6.2(c).

(b) In accordance with Sections 704(b) and 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any Company asset contributed (or deemed contributed) to the capital of the Company shall, solely for U.S. federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of such Company asset for U.S. federal income tax purposes and its Carrying Value upon its contribution (or deemed contribution). If the Carrying Value of any Company asset is adjusted, subsequent allocations of taxable income, gain, loss and deduction with respect to such Company asset shall take account of any variation between the adjusted basis of such Company asset for U.S. federal income tax purposes and the Carrying Value of such Company asset in the manner prescribed under Sections 704(b) and 704(c) of the Code and the Treasury Regulations thereunder. The Board shall select the manner by which variations between Carrying Value and adjusted basis of the Company's assets are taken into account in accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations thereunder.

6.4 Excess Nonrecourse Liabilities. If the built-in gain in Company assets subject to Nonrecourse Debts exceeds the gain described in Treasury Regulations Section 1.752-3(a)(2), the Excess Nonrecourse Liabilities shall be allocated (i) first, to AIV Holdings up to the amount of built-in gain that is allocable to AIV Holdings on Section 704(c) Property, (ii) second, among the Members other than AIV Holdings up to the amount of built-in gain that is allocable to such other Members on Section 704(c) Property and (iii) last, any remaining Excess Nonrecourse Liabilities shall be allocated among the Members pro rata in accordance with their relative Percentage Interests.

6.5 Revisions to Allocations to Reflect Issuance. In the event that the Company issues additional classes of Units to the Members pursuant to Article 3 of this Agreement, the Board shall, subject to Section 10.2, make such revisions to this Article 6 as it reasonably deems necessary to reflect the terms of the issuance of such additional class of Units, including making preferential allocations to classes of Units that are entitled thereto.

6.6 Payments of Certain Expenses. If and to the extent that payments of certain expenses by the Company constitute gross income of New Mountain Finance by reason of being treated as payments of expenses of New Mountain Finance, such amounts will constitute

guaranteed payments within the meaning of Section 707(c) of the Code, will be treated consistently therewith by the Company and all Members, and will not be treated as distributions for purposes of computing the Members' Capital Accounts.

6.7 Certain Tax Matters.

(a) The "tax matters partner" for purposes of Section 6231(a)(7) of the Code shall be New Mountain Finance (the "**Tax Matters Member**"). The Tax Matters Member shall have all the rights, duties, powers and obligations provided for in Sections 6221 through 6232 of the Code with respect to the Company. The Tax Matters Member shall inform each other Member of all significant matters that may come to its attention in its capacity as such by giving notice thereof within ten (10) days after becoming aware thereof and, within such time, shall forward to each other Member copies of all significant written communications it may receive in such capacity. This provision is not intended to authorize the Tax Matters Member to take any action left to the determination of an individual Member under Sections 6222 through 6231 of the Code.

(b) The Tax Matters Member shall not initiate any action or proceeding in any court, extend any statute of limitations, or take any other action in its capacity as Tax Matters Member, which it knows, has reason to know, or would reasonably be expected to know, would or would reasonably be expected to have a significant adverse effect on AIV Holdings, as a Member of the Company, Guardian AIV or Guardian AIV's partners, without approval of the AIV Holdings Member, which approval may not be unreasonably withheld; provided, however, that, for this purpose, it shall not be unreasonable for the AIV Holdings Member to withhold such approval if the

action proposed to be taken could significantly adversely effect such Member, Guardian AIV or Guardian AIV's partners. The AIV Holdings Member may alert the Tax Matters Member as to any actions that would have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners.

(c) The Board shall timely cause to be prepared all U.S. federal, state, local and foreign tax returns and reports (including amended returns) of the Company and its Subsidiaries for each year or period that such returns or reports are required to be filed and, subject to the remainder of this subsection, shall cause such tax returns to be timely filed. No later than thirty (30) days prior to filing of all income and franchise tax returns of the Company, the Board shall have provided copies of all such tax returns to the other Members for review. The AIV Holdings Members shall be entitled to provide reasonable comments on such returns to the Board no later than fifteen (15) days after receiving copies of such returns, and the Board shall consider in good faith all such comments. If the Board does not incorporate any comment made by any AIV Holdings Member in accordance with the foregoing sentence, at the request of such AIV Holdings Member the Board shall provide any information necessary for such AIV Holdings Member to properly file its U.S. federal, state, local, and foreign tax returns and reports (including amended returns and information returns) and any disclosure required in connection with the filing of such returns or reports in a manner consistent with such comment.

(d) Within ninety (90) days after the end of each Fiscal Year, or as soon as reasonably practical thereafter, the Board shall prepare and send, or cause to be prepared and sent, to each Person who was a Member at any time during such Fiscal Year copies of such information as may be required for U.S. federal, state, local and foreign income tax reporting

purposes, including copies of Form 1065 and Schedule K-1 or any successor form or schedule, for such Person. At any time after such information has been provided, upon at least five (5) business days' notice from a Member, the Board shall also provide each Member with a reasonable opportunity during ordinary business hours to review and make copies of all workpapers related to such information or to any return prepared under paragraph (c) above. As soon as practicable following the end of each quarter (and in any event not later than thirty (30) days after the end of such quarter), the Board shall also cause to be provided to each Member an estimate of each Member's share of all items of income, gain, loss, deduction and credit of the Company for the quarter just completed and for the Fiscal Year to date for federal income tax purposes.

(e) The Company intends to be treated as a partnership for U.S. federal, state and local income tax purposes for so long as the Company has more than one Member and intends to be treated as a disregarded entity for such purposes for so long as the Company has a single Member, and the Company shall not take any action or make any election so as to cause the Company to fail to be treated as a partnership or a disregarded entity (as applicable) for U.S. federal, state and local income tax purposes unless such action or election shall have been approved by the Board.

(f) The Company shall elect, pursuant to Section 754 of the Code, to adjust the basis of the Company's property, with respect to its U.S. federal income tax return for the taxable year in which the Guardian Partners Merger occurs and any taxable year following a termination of the Company pursuant to Section 708(b)(1)(B) of the Code, and the Company shall cause such election to remain or be in effect for every taxable year of the Company thereafter during which the Company is treated as a partnership for U.S. federal income tax purposes. The Company shall make such election with respect to all Subsidiaries of the Company that are treated as partnerships for U.S. federal income tax purposes in the same year the Company makes such election and if any Subsidiary of the Company is treated as a partnership for U.S. federal income tax purposes in a subsequent taxable year, the Company shall cause such election to be made in such year.

(g) Except as otherwise provided herein, all other elections required or permitted to be made by the Company under the Code (or applicable foreign, state or local law), including elections with respect to any subsidiary of the Company, shall be made as may be determined by the Board and all decisions and positions taken with respect to the Company's or any Subsidiary's taxable income or tax loss (or items thereof) under the Code or other applicable tax law shall be made in such manner as may be reasonably determined by the Board. Notwithstanding the foregoing, the Board shall not make any other election for U.S. federal, state or local income tax purposes or for franchise tax purposes and shall not make any decision or take any position with respect to allocations of taxable income, if the Board knows or has reason to know, or would reasonably be expected to know that such election, decision, or position would, or would reasonably be expected to adversely affect New Mountain Finance's status as a Regulated Investment Company or have a significant adverse effect on AIV Holdings, Guardian AIV or its partners and a greater negative impact proportionally on the amount of taxable inclusions incurred by AIV Holdings with respect to income allocated to it by the Company than if such election, decision, or position had not been made or taken. The AIV Holdings Member

may alert the Board as to any election, decision, or position that would have a significant adverse effect on AIV Holdings, Guardian AIV or its partners.

6.8 **Tax Year**. The taxable year of the Company shall be the same as its Fiscal Year.

6.9 **Withholding Requirements**. Notwithstanding any provision herein to the contrary, the Board is authorized to take any and all actions that it determines to be necessary or appropriate to ensure that the Company satisfies any and all withholding and tax payment obligations under Sections 1441, 1445, 1446 or any other provision of the Code or other applicable law. Without limiting the generality of the foregoing, the Board may withhold from distributions the amount that it determines is required to be withheld from the amount otherwise distributable to any Member pursuant to Article 5; provided, however, that such amount shall be deemed to have been distributed to such Member for purposes of applying Article 5 and this Article 6. The Board will not withhold any amounts from cash or other property distributable to any Member to satisfy any withholding and tax payment obligations to the extent that such Member demonstrates to the Board's satisfaction that such Member is not subject to such withholding and tax payment obligation. In the event that the Board withholds or incurred tax in respect of any Member for any period in excess of the amount of cash or other property otherwise distributable to such Member for such period (or there is a determination by any taxing authority that the Company should have withheld or incurred any tax for any period in excess of the tax, if any, that it actually withheld or paid for such period), such excess amount (or such additional amount) shall be treated as a recourse loan to such Member that shall bear interest at the rate of 10% per annum and be payable on demand.

6.10 **Reports to Members**.

(a) The books of account and records of the Company shall be audited as of the end of each Fiscal Year by the Company's independent public accountants.

(b) Within one (1) calendar day after the applicable due date for the filing of New Mountain Finance's quarterly reports for the end of each Fiscal Quarter of New Mountain Finance with the Commission (or the next Business Day if the first calendar day is not a Business Day), the Company shall send to each Person who was a Member during such period an unaudited report setting forth the following as of the end of such Fiscal Quarter, but the Company shall only be required to provide such information to such Members as make a request for it in writing:

(i) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited balance sheet as of the end of such period;

(ii) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited income statement of the Company for such period;

(iii) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited cash flow statement of the Company for such period; and

(iv) a statement of each Member's Capital Account.

(c) Within one (1) calendar day after the applicable due date for the filing of New Mountain Finance's annual report for the end of each Fiscal Year of New Mountain Finance with the Commission (or the next Business Day if the first calendar day is not a Business Day), the Company shall send to each Person who was a Member during such period an audited report setting forth the following as of the end of such Fiscal Year, but the Company shall only be required to provide such information to such Members as make a request for it in writing:

(i) an audited balance sheet as of the end of such Fiscal Year;

(ii) an audited income statement of the Company for such Fiscal Year;

(iii) an audited cash flow statement of the Company for such Fiscal Year; and

(iv) a statement of each Member's Capital Account.

(d) The Company shall provide each Member with monthly "flash reports."

(e) The Company shall provide each Member annually with a copy of the Budget.

(f) With reasonable promptness, the Board will deliver such other information available to the Board, including financial statements and computations, as any Member may from time to time reasonably request in order to comply with regulatory requirements, including reporting requirements, to which such Member is subject.

(g) The Board shall not be deemed to be in breach of this Section 6.10 for failure to deliver the reports and other information under clause (b) or (c) of this Section 6.10, if the Board delivers such information to each Member on the earlier of (i) the date such information is provided to the lenders or the holders of any indebtedness of the Company or filed with the Commission and (ii) a date that is within thirty (30) calendar days of the due date set forth in clause (b) or (c) above.

6.11 **Auditors**. The independent registered public accountant of the Company shall be determined by the Board, in its sole discretion.

ARTICLE 7
DISSOLUTION

7.1 **Dissolution**.

(a) The Company shall be dissolved and subsequently terminated upon the occurrence of the first of the following events:

(i) the act of the Board to dissolve the Company;

(ii) the entry of a decree of judicial dissolution of the Company pursuant to § 18-802 of the LLC Act; or

(iii) the termination of the legal existence of the last remaining Member or the occurrence of any other event that causes the last remaining Member to cease to be a Member of the Company, unless the Company is continued without dissolution pursuant to Section 7.1(b).

(b) Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a Member of the Company (other than upon continuation of the Company without dissolution upon an assignment by the Member of all of its Interest in the Company and the admission of the transferee as a Member pursuant to Section 8.2), to the fullest extent permitted by law, the personal representative of such Member is hereby authorized to, within ninety (90) days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of such Member in the Company.

(c) Notwithstanding any other provision of this Agreement, the bankruptcy (as defined in §§ 18-101(1) and 18-304 of the LLC Act) of a Member shall not cause the Member to cease to be a Member of the Company and, upon the occurrence of such an event, the Company shall continue without dissolution.

7.2 **Winding-Up**. When the Company is dissolved, the business and property of the Company shall be wound up in an orderly manner by the Board or by a liquidating trustee as may be appointed by the Board (the Board or such liquidating trustee, as the case may be, the "**Liquidator**"). In the event of dissolution, the Company shall not take any action that is inconsistent with, or not necessary to or appropriate for, the winding-up of the Company's business and affairs.

7.3 **Final Distribution**.

(a) As soon as reasonable following the event that caused the dissolution of the Company, the assets of the Company shall be applied in the following manner and order:

(i) to pay the expenses of the winding-up, liquidation and dissolution of the Company, and all creditors of the Company, including Members who are creditors of the Company, either by actual payment or by making a reasonable provision therefor, in the manner, and in the order of priority, set forth in § 18-804 of the LLC Act;

(ii) to distribute the remaining assets of the Company to the Members in accordance with Section 5.5 (b).

(b) If any Member has a deficit balance in its Capital Account in excess of any unpaid Capital Contributions (if any), such Member shall have no obligation to make any Capital Contribution to the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

(c) Each Member shall look solely to the assets of the Company for the amounts distributable to it hereunder and shall have no right or power to demand or receive property therefor from any Director or any other Member.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Members in the manner provided for in this Agreement and (ii) the Certificate shall have been canceled in the manner required by the LLC Act.

7.4 Exchange Right Upon Dissolution.

(a) Upon the occurrence of an event described in Section 7.1(a), if (i) New Mountain Finance is not the sole Member at the time of such event and (ii) prior to or concurrent with the occurrence of such event, New Mountain Finance has adopted a plan relating to the liquidation or dissolution of New Mountain Finance, then New Mountain Finance shall have the right to acquire from any Non-NMF Member all (but not less than all) of the Common Membership Units held by such Non-NMF Member in exchange for shares of New Mountain Finance Common Stock on a one-for-one basis (the "**Dissolution Exchange Right**"). If New Mountain Finance desires to exercise its Dissolution Exchange Right with respect to a Non-NMF Member, it shall exercise such right by giving written notice (the "**Dissolution Exchange Notice**") to such Non-NMF Member (the "**Dissolution Exchanging Non-NMF Member**") with a copy to the Company. The Dissolution Exchange Notice shall specify a date, which is to be as soon as reasonable following the occurrence of the event triggering the Dissolution Exchange Right, but in any event shall be prior to commencement of application of the assets of the Company pursuant to Section 7.3(a)(ii), on which the exercise of the Dissolution Exchange Right shall be completed (the '**Dissolution Exchange Date**").

(b) On the Dissolution Exchange Date:

(1) the Dissolution Exchanging Non-NMF Member shall (A) transfer and surrender to New Mountain Finance all of its Common Membership Units, (B) represent and warrant to New Mountain Finance that such Common Membership Units are owned by such Member free and clear of all liens and encumbrances and (C) deliver to New Mountain Finance all transfer tax stamps or funds therefor, if required pursuant to Section 9.1(e);

(2) the Company shall revise Schedule A to reflect the Transfer of the Common Membership Units pursuant to thisSection 7.4 and number of Common Membership Units held by New Mountain Finance following the Dissolution Exchange Date and to remove such Dissolution Exchanging Non-NMF Member; and

(3) New Mountain Finance shall issue the number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units being exchanged by such Dissolution Exchanging Non-NMF Member pursuant to the Dissolution Exchange Right and shall represent and warrant to such Dissolution Exchanging Non-NMF Member that such shares are validly issued, fully paid and non-assessable; and, if the New Mountain Finance Common Stock is certificated, New Mountain Finance shall deliver or cause to be delivered at the office of New Mountain Finance's transfer agent a certificate or certificates

representing such number of shares of New Mountain Finance Common Stock issued in the name of such Dissolution Exchanging Non-NMF Member.

An exchange pursuant to this Section 7.4 shall be deemed to have been effected immediately prior to the close of business on the Dissolution Exchange Date. The Person or Persons in whose name or names the shares of New Mountain Finance Common Stock are to be recorded shall be treated for all purposes as having become the record holder or holders of such shares of New Mountain Finance Common Stock immediately prior to the close of business on the Dissolution Exchange Date, and may sell such shares of New Mountain Finance Common Stock as permitted under applicable law.

Each Dissolution Exchanging Non-NMF Member, the Company and New Mountain Finance shall, for U.S. federal, state and local income tax purposes, treat the exchange as a taxable sale of such Dissolution Exchanging Non-NMF Member's Common Membership Units to New Mountain Finance, except as otherwise required pursuant to a "determination" within the meaning of Section 1313 of the Code. Each Dissolution Exchanging Non-NMF Member agrees to execute such instruments of transfer, officer's or other certificates or cross receipts to the extent necessary to evidence the exchange of its Common Membership Units and as New Mountain Finance may reasonably require in connection with the issuance of shares of New Mountain Finance Common Stock in exchange for such Member's Common Membership Units.

ARTICLE 8
TRANSFER; SUBSTITUTION; ADJUSTMENTS

8.1 Restrictions on Transfer.

(a) No Member may Transfer all or any portion of its Units or other Company Interests except with the written consent of the Board in its sole discretion; provided, however, that subject to Section 8.1(b), a Member may, without the consent of the Board, at any time Transfer any of such Member's Units or other Equity Interests to a Permitted Transferee of such Member. It is a condition to any Transfer by a Member (the "**Transferring Member**") otherwise permitted hereunder that the transferee (i) agrees to become a party to, and be bound by the terms of, this Agreement to the same extent as the Transferring Member and (ii) assumes by operation of law or express agreement all of the obligations of the Transferring Member under this Agreement or any other agreement to which such Transferring Member is a party with respect to such Transferred Units or other Company Interests. Any transferee, whether or not admitted as a Member, shall take subject to the obligations of the transferor hereunder.

(b) In addition to any other restrictions on Transfer herein contained, including, without limitation, the provisions of thisArticle 8, any purported Transfer or assignment of a Unit or other Company Interests by any Member in the following circumstances shall be void *ab initio* (unless in the case of clause (v) below only, the consent of the Board is obtained):

(i) to any Person who lacks the legal right, power or capacity to own Units or other Company Interests;

(ii) if such Transfer would cause the Company to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code);

(iii) if such Transfer would, in the opinion of counsel to the Company, cause any portion of the assets of the Company to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101;

(iv) if such Transfer requires the registration of such Units or other Company Interests pursuant to any applicable federal, state or foreign securities laws or regulations or would otherwise materially violate any federal, state or foreign securities laws or regulations applicable to the Company, the Units or such Company Interests;

(v) if such Transfer (in and by itself) subjects the Company to be regulated under the Investment Company Act, the Investment Advisers Act of 1940 or ERISA, each as amended;

(vi) if such Transfer would cause the Company to fail the limitation set forth in Section 3.1(d) or would otherwise result in a risk that the Company would be treated as a "publicly traded partnership," as such term is defined in Section 469(k)(2) or 7704(b) of the Code;

(vii) if such Transfer violates any applicable laws in any material respect;

(viii) if the Company does not receive written instruments (including, without limitation, copies of any instruments of Transfer and such assignee's agreement to be bound by this Agreement as an assignee and Member) that are in a form satisfactory to the Board (in its sole discretion); or

(ix) to any Prohibited Person.

8.2 Substituted Members.

(a) No Member shall have the right to substitute a transferee as a Member in his or her place with respect to any Units or other Equity Interests in the Company so Transferred (including any transferee permitted by Section 8.1) unless (i) such Transfer is made in compliance with the terms of this Agreement and any other agreements with the Company to which such transferor Member is a party and (ii) such transferee assumes and agrees to be bound, by written instrument satisfactory to the Board pursuant to Section 8.l(b)(viii), all the rights, powers, restrictions, duties and liabilities that were applicable to the transferor by virtue of the transferor's ownership of the Units or other Equity Interests in the Company being Transferred.

(b) Except as provided in Section 8.2(c) and otherwise in this Agreement, a transferee who has been admitted as a Member in accordance with Section 8.2(a) shall have all

the rights and powers and be subject to all the restrictions, duties and liabilities of a Member under this Agreement holding the same Units or other Equity Interests in the Company. The admission of any transferee as a Member shall be subject to the provisions of Section 3.1.

8.3 Effect of Void Transfers. No Transfer of any Units or other Equity Interests owned by a Member in violation hereof shall be made or recorded on the books of the Company, and any such purported Transfer shall be void and of no effect.

ARTICLE 9
EXCHANGE RIGHT OF NON-NMF MEMBERS

9.1 Exchange Right of Non-NMF Members.

(a) Exchange Right. Any Non-NMF Member shall be entitled at any time and from time to time to require that New Mountain Finance acquire all or any portion of the Common Membership Units held by such Non-NMF Member in exchange for shares of New Mountain Finance Common Stock on a one-for-one basis (the "**Exchange Right**"). Any Non-NMF Member desiring to exercise its Exchange Right (the "**Exchanging Member**") shall exercise such right by giving written notice (the "**Exchange Notice**") to New Mountain Finance with a copy to the Company. The Exchange Notice shall specify the number of Common Membership Units (the "**Exchange Units**") that the Exchanging Member intends to have New Mountain Finance acquire, whether such Exchanging Member intends to sell the shares of New Mountain Finance Common Stock to be received for the Exchange Units in an underwritten public offering (an "**Underwritten Resale**") or a private sale (a "**Private Resale**"), and a date, which is not more than sixty (60) Business Days after delivery of the Exchange Notice or as otherwise agreed among New Mountain Finance and such Exchanging Member, on which the exercise of the Exchange Right shall be completed (the "**Exchange Date**") unless the Exchanging Member has timely delivered a Retraction Notice or a Termination Notice as provided in Section 9.1(b). In the event that the Exchanging Member intends to sell the shares of New Mountain Finance Common Stock to be received for its Exchange Units in an Underwritten Resale or Private Resale, such Exchanging Member shall not deliver an Exchange Notice to New Mountain Finance with respect to such Exchange Units until such Exchanging Member has entered into a binding firm commitment underwriting agreement to sell such shares (subject to customary conditions) in such Underwritten Resale or a binding agreement to sell such shares (subject to customary conditions) in such Private Resale.

(b) Retraction Notice. At any time after delivery of the Exchange Notice and no later than the Business Day prior to the Exchange Date or as otherwise agreed between New Mountain Finance and such Exchanging Member, the Exchanging Member may retract its Exchange Notice by giving written notice (the "**Retraction Notice**") to New Mountain Finance (with a copy to the Company). The timely delivery of a Retraction Notice shall terminate all of the Exchanging Member's, Company's and New Mountain Finance's rights and obligations under this Section 9.1 arising from such Exchange Notice. If the Exchanging Member has advised New Mountain Finance that it intends to sell the related shares of New Mountain Finance Common Stock in an Underwritten Resale, and either the Exchanging Member reasonably determines that market conditions with respect to New Mountain Finance Common Stock make it inadvisable to proceed with the Underwritten Resale or the managing underwriter for the Underwritten Resale advises the Exchanging Member and New Mountain Finance that

the managing underwriter does not intend to close the sale of such shares in the Underwritten Resale, the Exchanging Member may terminate the Exchange Notice (the "**Termination Notice**") at any time prior to the Exchange Date by giving notice to New Mountain Finance (with a copy to the Company) prior to the Exchange Date. All of New Mountain Finance's and the Company's rights and obligations arising from the Exchange Notice shall terminate if the Exchanging Member timely delivers a Retraction Notice or a Termination Notice as provided in this Section 9.1(b).

(c) Exchange Mechanics. Unless a timely Retraction Notice or Termination Notice has been delivered to New Mountain Finance (with a copy to the Company) prior to the Exchange Date as set forth in Section 9.1(b), on the Exchange Date (to be effective immediately prior to the close of business on the Exchange Date or, in the case of an Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, respectively):

(1) the Exchanging Member shall (A) transfer and surrender to New Mountain Finance the Exchange Units, (B) represent and warrant to New Mountain Finance that the Exchange Units are owned by such Exchanging Member free and clear of all liens and encumbrances and (C) deliver to New Mountain Finance all transfer tax stamps or funds therefor, if required pursuant to Section 9.1(e);

(2) in the event that the shares of New Mountain Finance Common Stock to be issued in exchange for the Exchanging Member's Exchange Units are to be sold in an Underwritten Resale or Private Resale, the Exchanging Member shall direct New Mountain Finance to deliver directly to underwriter(s) with respect to an Underwritten Resale or to the buyer(s) with respect to a Private Resale, as the case may be, such shares of New Mountain Finance Common Stock;

(3) the Company shall revise Schedule A to reflect the Transfer of the Exchange Units pursuant to this Section 9.1(c) and number of Common Membership Units held by New Mountain Finance and the Exchanging Member following the Exchange Date; and

(4) New Mountain Finance shall issue the number of shares of New Mountain Finance Common Stock equal to the number of Exchange Units being exchanged pursuant to the Exchange Notice and shall represent and warrant to the Exchanging Member that such shares are validly issued, fully paid and non-

assessable; in the event that such shares of New Mountain Finance Common Stock are to be sold in an Underwritten Resale or Private Resale, such shares shall be issued in such name or names as the Exchanging Member shall have directed, or otherwise such shares shall be issued in the name of such Exchanging Member; and, if the New Mountain Finance Common Stock is certificated, New Mountain Finance shall deliver or cause to be delivered at the office of New Mountain Finance's transfer agent a certificate or certificates representing such number of shares of New Mountain Finance Common Stock issued in the name of the Exchanging Member or, if such shares are to be sold in an Underwritten Resale or Private Resale, in such other name or names as the Exchanging Member shall have directed.

An exchange pursuant to this Section 9.1 shall be deemed to have been effected immediately prior to the close of business on the Exchange Date or, in the case of an

Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, as the case may be. The Person or Persons in whose name or names the shares of New Mountain Finance Common Stock are to be recorded shall be treated for all purposes as having become the record holder or holders of such shares of New Mountain Finance Common Stock immediately prior to the close of business on the Exchange Date or, in the case of an Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, as the case may be, and may sell such shares of New Mountain Finance Common Stock as permitted under applicable law.

If New Mountain Finance fully performs its obligations in connection pursuant to this Section 9.1(a), its obligations with respect to such Exchanging Member's exercise of the Exchange Right shall be fully satisfied and discharged. Each of the Exchanging Member, the Company and New Mountain Finance shall, for U.S. federal, state and local income tax purposes, treat the exchange as a taxable sale of the Exchanging Member's Common Membership Units to New Mountain Finance, except as otherwise required pursuant to a "determination" within the meaning of Section 1313 of the Code. Each Exchanging Member agrees to execute such instruments of transfer, officer's or other certificates or cross receipts to the extent necessary to evidence the exchange of the Exchange Units and as New Mountain Finance may reasonably require in connection with the issuance of shares of New Mountain Finance Common Stock in exchange for such Member's Exchange Units.

(d) Underwritten Resale or Private Resale. If the Exchanging Member specified an Underwritten Resale or Private Resale in the Exchange Notice, it shall, when available, attach to the Exchange Notice a copy of a fully executed underwriting agreement with respect to such Underwritten Resale (subject to customary conditions) or a binding agreement to sell the related shares of New Mountain Finance Common Stock (subject to customary conditions) with respect to such Private Resale, and such Exchanging Member shall provide in the Exchange Notice an Exchange Date that is the same date as the closing date specified in such underwriting agreement or sales agreement; provided that, in such a case, the Exchange Date shall not be less than three (3) Business Days after delivery of the Exchange Notice unless otherwise agreed. If the Exchanging Member specified an Underwritten Resale in the Exchange Notice, and desires to exchange Common Membership Units in connection with an underwriter's over-allotment option with respect to such Underwritten Resale, it shall deliver a subsequent Exchange Notice specifying a number of Common Membership Units that it intends to exchange (which exchange shall be settled in the same manner as the prior Exchange Units) and an Exchange Date that is the same date as the closing date specified by the managing underwriter with respect to such Underwritten Resale upon the exercise of said option.

(e) Stamp or Similar Taxes. The Person or Persons requesting the issuance of certificates, if such certificates are issued, representing shares of New Mountain Finance Common Stock upon exchange of Common Membership Units shall pay to New Mountain Finance the amount of any stamp or other similar tax in respect of such issuance that may be payable by New Mountain Finance in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Company that such tax has been paid or is not payable.

9.2 Effect of Exercise of Exchange Right. This Agreement shall continue notwithstanding the exercise of an Exchanging Member's Exchange Right and all governance or other rights set forth herein in accordance with their terms and subject to their conditions shall be

exercised by the remaining Members and the Exchanging Member (to the extent of such Exchanging Member's remaining Interest in the Company). No exercise of an Exchanging Member's Exchange Right shall relieve such Exchanging Member of any prior breach of this Agreement.

9.3 Reservation of New Mountain Finance Common Stock. New Mountain Finance shall at all times reserve and keep available out of its authorized but unissued New Mountain Finance Common Stock, solely for the purpose of issuance upon exchange of Common Membership Units, such number of New Mountain Finance Common Stock that may be issuable pursuant to the Section 9.1; provided, that nothing contained herein shall be construed to preclude New Mountain Finance from fulfilling its obligations to issue New Mountain Finance Common Stock pursuant to Section 9.1 by delivering New Mountain Finance Common Stock that is held in the treasury of New Mountain Finance. New Mountain Finance covenants that all New Mountain Finance Common Stock that shall be issued pursuant to Section 9.1 will, upon issue, be validly issued, fully paid and non-assessable.

ARTICLE 10
MISCELLANEOUS

10.1 Further Assurances. The Board and each Member of the Company shall, or shall cause their respective Affiliates or Representatives, as appropriate, to, take such actions and execute and deliver such other agreements, instruments and documents as may be necessary or desirable in order to carry out the purposes of this Agreement.

10.2 Amendments. Except as otherwise expressly provided in this Agreement or as required by law, this Agreement may be amended by the written consent of the holders of Common Membership Units representing a majority of all the Common Membership Units then outstanding; provided, however, that no amendment may adversely affect the rights of any holder of Common Membership Units without the consent of such holder if such amendment adversely affects the rights of such holder other than on a pro rata basis with other holders of Common Membership Units; provided, further, that any amendment to Schedule B pursuant to Section 4.12(c) will not be deemed to adversely affect the rights of any holder of Common Membership Units.

10.3 Pass-Through Voting. In accordance with the requirements of the Investment Company Act, each of New Mountain Finance and AIV Holdings, to the extent so required by the Investment Company Act, and any other Member that is an investment company relying on Section 12(d)(1)(E) of the Investment Company Act shall seek instructions from its security holders with regard to matters submitted to the vote of the Members, and each such Member shall vote only in accordance with such instructions.

10.4 Restrictions on Disclosure of Information. For a period of three (3) years after the earlier of (x) the dissolution of the Company or (y) the date upon which such Member ceases to be a Member of the Company:

(a) Each Member shall, and shall cause its Affiliates and its and its Affiliates' directors, officers, employees, agents and Representatives to, hold in confidence, in accordance with no less than the standards of confidentiality that it uses with respect to its own Confidential

Information (as defined below), and in no event less than a reasonable standard of care, all documents and Information concerning any other party hereto furnished it by such other party or its representatives in connection with the transactions contemplated by this Agreement which the Board notifies such Member that it in good faith believes it is not in the best interest of the Company to disclose or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential (the "**Confidential Information**"). Notwithstanding the foregoing, each Member and each of its Affiliates may disclose such Confidential Information to the extent that such Confidential Information is required, in such Member's sole discretion, in connection with the preparation of any financial, reserve or other information as needed or appropriate to be included in the public filings of such Member or is required to be disclosed to lenders of Indebtedness, provided such lenders are under an obligation to keep such Confidential Information confidential, or such Member or Affiliate can demonstrate that such Confidential Information is or was (i) generally available to the public other than by the breach of this Agreement, or (ii) lawfully acquired from a third Person on a non-confidential basis or independently developed by, or on behalf of, such Person. Notwithstanding the foregoing, each Member and its Affiliates may disclose such Confidential Information to the extent that such Person reasonably believes it is legally compelled to disclose such Confidential Information by judicial or administrative process or to any tribunal, agency, Governmental Authority, including, but not limited to, the New York Stock Exchange, or else stand liable for contempt or suffer other censure or financial penalty or is otherwise required by law to disclose such Confidential Information. Each Member shall maintain, and shall cause its Affiliates to maintain, policies and procedures, and develop such further policies and procedures as shall from time to time become necessary or appropriate, to ensure compliance with this Section 10.4(a). Nothing contained in this Section 10.4 shall be deemed to limit the disclosure by a Member of its own Confidential Information.

(b) Each Member shall (i) not, directly or indirectly, use the Confidential Information of the Company, except (x) as necessary in the ordinary course of the Company's or such Member's business or (y) as otherwise agreed between the Company and any Member, or disclose the Confidential Information of the Company to any third party and (ii) inform all of its employees to whom the Confidential Information of the Company is entrusted or exposed of the requirements of this Section and of their obligations relating thereto. Notwithstanding the foregoing, in connection with a potential merger, acquisition, disposition, financing or other transaction or any potential Transfer of Units or New Mountain Finance Common Stock by a Member, such Member may disclose Confidential Information of the Company to third parties if the Member requires the recipients of such Confidential Information to sign an agreement of confidentiality and nondisclosure reasonably satisfactory to such Member.

(c) The Company shall preserve the confidentiality of all Confidential Information supplied by the Members and their Affiliates ("**Member Information**") to the same extent that a Member must preserve the confidentiality of Confidential Information pursuant toSections 10.4(a) and (b).

(d) Member Information shall not be supplied by the Company or its Subsidiaries to any Person, including any other Member, who is not an employee of the Company or the Investment Adviser, including any employee of a Member who is not an employee of the Company or the Investment Adviser. Notwithstanding the foregoing, Member

Information may be disclosed to the Member's Representatives and to authorized third-party contractors of the Company if the Company determines that such disclosure is reasonably necessary to further the business of the Company, and if such contractor executes a non-disclosure agreement preventing such contractor from disclosing such Member Information for the benefit of each provider of Member Information in a form reasonably acceptable to the Members providing such Member's Information. Member Information disclosed by any Member to the Company or the Investment Adviser shall not be shared with any other Member that is not the Investment Adviser without the disclosing Member's written consent.

10.5 Injunctive Relief. The Company and each Member acknowledge and agree that any breach or violation of any of the terms of, or a default under, this Agreement will cause the other Members and the Company, as the case may be, irreparable injury for which an adequate remedy at law is not available. Accordingly, it is agreed that each of the Members and the Company will be entitled to an injunction or restraining order restraining such breach, violation or default or threatened breach, violation or default and to any other equitable relief, including, without limitation, specific performance of the terms and provisions of this Agreement, in addition to any other remedy to which they may be entitled, at law or equity. The Company and each Member further agree that, in the event of any action for an injunction or other equitable remedy in respect of such breach or enforcement of specific performance, it will not assert the defense that a remedy at law would be adequate. Nothing stated herein shall limit any other remedies provided under this Agreement or available to the parties at law or equity.

10.6 No Third-Party Beneficiaries. This Agreement shall inure to the benefit of, and be binding upon, the Parties hereto and their respective legal representatives, successors and permitted assigns and transferees. Except as otherwise provided in this Agreement, nothing in this Agreement, express or implied, is intended to confer upon any other Person, including, but not limited to, any Person named in this Agreement that is not a Party, any rights, remedies, duties or obligations of any nature whatsoever under or by reason of this Agreement unless and until such Person becomes a Party.

10.7 Notices. Any notice, instruction, direction, demand or other communication required under the terms of this Agreement shall be in writing and shall be delivered by hand, facsimile transmission, electronic mail or nationally recognized overnight delivery service (with postage prepaid) and shall be deemed given when received if delivered on a Business Day during normal business hours of the recipient or, if not so delivered, on the next Business Day following receipt. Notices to the Company or any Member shall be delivered to the Company or such Member as set forth in Schedule A, as it may be revised from time to time.

10.8 Severability. If any term or other provision of this Agreement shall be determined by a court, administrative agency or arbitrator to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not render the entire Agreement invalid. Rather, this Agreement shall be construed as if not containing the particular invalid, illegal or unenforceable provision, and all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either the Company or the Members. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Company and the Members shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Members as closely as possible in a reasonably acceptable manner to the

end that the transactions contemplated hereby are fulfilled to the fullest extent permitted under applicable law.

10.9 Counterparts and Signature. This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. This Agreement may be executed by electronic transmission, including by facsimile or electronic mail, by each party hereto of a signed signature page hereof to the other party.

10.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial

(a) This Agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the Parties.

(b) Each Party hereby expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in the City and County of New York, Borough of Manhattan (and each appellate court wherever located with jurisdiction over appeals from such court) for any action or other proceeding arising out

of or relating to this Agreement, or the negotiation, validity or performance of this Agreement, or the transactions contemplated thereby (and agrees not to commence any action or other proceeding relating thereto except in such courts, including to enforce any settlement, order or award). Each Party hereto:

(i) consents to service of process in any such action or proceeding in any manner permitted by the laws of the State of New York, and also agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 10.7 is sufficient and reasonably calculated to give actual notice;

(ii) agrees that each state and federal court located in the City and County of New York, Borough of Manhattan shall be deemed to be a convenient forum; and

(iii) waives and agrees not to assert (by way of motion, as a defense or otherwise), in any such action or proceeding commenced in any state or federal court located in the City and County of New York, Borough of Manhattan, any claim that such party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court.

(c) In the event of any action or other proceeding relating to this Agreement or the enforcement of any provision of this Agreement, the prevailing party (as determined by the court) shall be entitled to payment by the non-prevailing party of all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party, including any costs and expenses incurred in connection with any challenge to the jurisdiction or the convenience or propriety of venue of proceedings before any state or federal court located in the City and County of New York, Borough of Manhattan.

(d) **Each of the Parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any legal action or other legal proceeding directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby.** Each of the Parties hereto (a) certifies that no Representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other Parties hereto have been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers set forth in this Section 10.10(d).

(signature page follows)

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

NEW MOUNTAIN GUARDIAN AIV, L.P.

By: _____
Name:
Title:

NEW MOUNTAIN GUARDIAN PARTNERS, L.P.

By: _____
Name:
Title:

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name:
Title:

[Signature page for Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C.]

Schedule A
Members and Units

Names and Addresses	Member Interest includes Common Membership Units	Percentage Interest

New Mountain Guardian AIV, L.P.: %

787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

New Mountain Guardian Partners, L.P.: %

787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

Schedule B
Credit Agreement Covenants

The approval of the Board (including the consent of the Independent Manager (as defined in the Credit Agreement)) is required for the Company to (a) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (b) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (c) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (d) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (e) make any assignment for the benefit of the Borrower's creditors, (f) admit in writing its inability to pay its debts generally as they become due, or (g) take any action in furtherance of any of the foregoing.

Exhibit 1
Form of New Mountain Guardian AIV Holdings Corporation Joinder Agreement

JOINDER

, 2011

Reference is made to that certain Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011 (the "LLC Agreement"), by and among the members of the Company, attached hereto as Exhibit A.

By and upon execution of this joinder, the undersigned (a) shall be a party to the LLC Agreement, (b) accepts and agrees to be subject to all terms and conditions of the LLC Agreement, (c) shall be considered a "Member" and "AIV Holdings" thereunder and (d) shall be entitled to the rights and benefits and subject to the duties and obligations of a Member and AIV Holdings thereunder, in each case as fully as if the undersigned were an original signatory thereto in such capacity.

In accordance with the requirements of the Investment Company Act, AIV Holdings, to the extent so required by the Investment Company Act of 1940, as amended, and the rules and regulations promulgated by the Securities and Exchange Commission thereunder, shall seek instructions from its security holders with regard to matters submitted to the vote of the Members.

Unless otherwise specified in writing by the undersigned, the initial address for notices to the undersigned for purposes of the LLC Agreement is the address for the undersigned set forth on the signature page hereto. Pursuant to Section 3.1(c) of the LLC Agreement, the Company shall amend Schedule A to the LLC Agreement to reflect the admission of the undersigned as a Member and such other information of the undersigned as indicated in Schedule A to the LLC Agreement. This joinder shall not otherwise constitute an amendment or waiver of any provision of the LLC Agreement, which shall continue and remain in full force and effect in accordance with its terms.

* * *

IN WITNESS WHEREOF, the undersigned has executed this joinder as of the date first written above.

NEW MOUNTAIN FINANCE AIV HOLDINGS CORPORATION

By: _____
Name: _____
Its: _____

Address for Notices: 787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name: _____
Its: _____

Exhibit 2

Form of New Mountain Finance Corporation Joinder Agreement

JOINDER

, 2011

Reference is made to that certain Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011 (the "LLC Agreement"), by and among the members of the Company, attached hereto as Exhibit A.

By and upon execution of this joinder, the undersigned (a) shall be a party to the LLC Agreement, (b) accepts and agrees to be subject to all terms and conditions of the LLC Agreement, (c) shall be considered a "Member" and "New Mountain Finance" thereunder and (d) shall be entitled to the rights and benefits and subject to the duties and obligations of a Member and New Mountain Finance thereunder, in each case as fully as if the undersigned were an original signatory thereto in such capacity.

Unless otherwise specified in writing by the undersigned, the initial address for notices to the undersigned for purposes of the LLC Agreement is the address for the undersigned set forth on the signature page hereto. Pursuant to Section 3.1(c) of the LLC Agreement, the Company shall amend Schedule A to the LLC Agreement to reflect the admission of the undersigned as a Member and such other information of the undersigned as indicated in Schedule A to the LLC Agreement. This joinder shall not otherwise constitute an amendment or waiver of any provision of the LLC Agreement, which shall continue and remain in full force and effect in accordance with its terms.

* * *

IN WITNESS WHEREOF, the undersigned has executed this joinder as of the date first written above.

NEW MOUNTAIN FINANCE CORPORATION

By: _____
Name: _____
Its: _____

Address for Notices: 787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name: _____
Its: _____

Exhibit (b)(5)

JOINDER

, 2011

Reference is made to that certain Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011 (the "LLC Agreement"), by and among the members of the Company, attached hereto as Exhibit A.

By and upon execution of this joinder, the undersigned (a) shall be a party to the LLC Agreement, (b) accepts and agrees to be subject to all terms and conditions of the LLC Agreement, (c) shall be considered a "Member" and "New Mountain Finance" thereunder and (d) shall be entitled to the rights and benefits and subject to the duties and obligations of a Member and New Mountain Finance thereunder, in each case as fully as if the undersigned were an original signatory thereto in such capacity.

Unless otherwise specified in writing by the undersigned, the initial address for notices to the undersigned for purposes of the LLC Agreement is the address for the undersigned set forth on the signature page hereto. Pursuant to Section 3.1(c) of the LLC Agreement, the Company shall amend Schedule A to the LLC Agreement to reflect the admission of the undersigned as a Member and such other information of the undersigned as indicated in Schedule A to the LLC Agreement. This joinder shall not otherwise constitute an amendment or waiver of any provision of the LLC Agreement, which shall continue and remain in full force and effect in accordance with its terms.

* * *

IN WITNESS WHEREOF, the undersigned has executed this joinder as of the date first written above.

NEW MOUNTAIN FINANCE CORPORATION

By: _____
Name: _____
Its: _____

Address for Notices: 787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name: _____
Its: _____

Exhibit A

AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

Dated , 2011

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS (1) THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS AND (2) IF REQUESTED BY THE BOARD, THE TRANSFEROR DELIVERS TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE BOARD, IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, TO THAT EFFECT.

TABLE OF CONTENTS

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

This Amended and Restated Limited Liability Company Agreement (this "**Agreement**") of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "**Company**"), is made and entered into as of , 2011, by and between New Mountain Guardian AIV, L.P., a Delaware limited partnership ("**Guardian AIV**"), and New Mountain Guardian Partners, L.P., a Delaware limited partnership ("**Guardian Partners**"). Certain terms used in this Agreement are defined in Section 1.1.

RECITALS

WHEREAS, the Company was formed by Guardian AIV under the provisions of the LLC Act (as defined below) under the name "New Mountain Guardian (Leveraged) L.L.C." by the filing of a Certificate of Formation with the Secretary of State of the State of Delaware on October 29, 2008;

WHEREAS, simultaneously therewith Guardian AIV entered into the Limited Liability Company Agreement of New Mountain Guardian (Leveraged) L.L.C. dated as of October 29, 2008 (the "**Initial LLC Agreement**");

WHEREAS, on , 2011, Guardian Partners caused New Mountain Guardian Partners Debt Funding, L.L.C. to merge with and into New Mountain Guardian Partners (Leveraged), L.L.C., with New Mountain Guardian Partners (Leveraged), L.L.C. as the surviving company;

WHEREAS, on , 2011, Guardian Partners caused New Mountain Guardian Partners (Leveraged), L.L.C. to merge with and into the Company, with the Company as the surviving company (the "**Guardian Partners Merger**"), and Guardian Partners received membership units in the Company as consideration for the transfer of assets in the merger;

WHEREAS, Guardian AIV will contribute to New Mountain Guardian AIV Holdings Corporation, a Delaware corporation ("**AIV Holdings**") its Common Membership Units in exchange for common stock of AIV Holdings and AIV Holdings will be admitted as a Member of the Company pursuant to a joinder agreement to this Agreement, the form of which is set forth in Exhibit 1 hereto (the "**AIV Holdings Joinder Agreement**");

WHEREAS, Guardian Partners will contribute to New Mountain Finance Corporation, a Delaware corporation ("**New Mountain Finance**") its Common Membership Units in exchange for a number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units so contributed, and New Mountain Finance will be admitted as a Member of the Company pursuant to a joinder agreement to this Agreement, the form of which is set forth in Exhibit 2 hereto (the "**New Mountain Finance Joinder Agreement**");

WHEREAS, the Company will be renamed "New Mountain Finance Holdings, L.L.C." by filing a Certificate of Amendment with the Secretary of State of the State of Delaware;

WHEREAS, shares of New Mountain Finance Common Stock will be sold to the public in an underwritten offering (the "**Initial Public Offering**") and in a concurrent private placement to certain executives and employees of, and other individuals affiliated with, New Mountain Capital (the "**Concurrent Offering**");

WHEREAS, New Mountain Finance will contribute the gross proceeds of the Initial Public Offering and the Concurrent Offering to the Company in exchange for a number of Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance in the Initial Public Offering and the Concurrent Offering; and

WHEREAS, the Members desire to amend and restate the Initial LLC Agreement to, among other things, (i) reclassify the membership units in the Company into Common Membership Units, (ii) set forth the rights and obligations of each Member with respect to the Company and (iii) set forth the terms and conditions for the operation of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Defined Terms. The following terms shall have the following meanings in this Agreement:

"**Action**" means any suit, arbitration, inquiry, proceeding or investigation (whether civil, criminal, administrative, investigative, or informal) by or before any court, Governmental Authority or any arbitration tribunal asserted by a Person.

"**Administration Agreement**" means the Administration Agreement to be entered into among the Company, New Mountain Finance and New Mountain Finance Administration, L.L.C., as Administrator, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Adjustment Event**" has the meaning set forth in Section 3.3(d) of this Agreement.

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person.

"**Agreement**" has the meaning set forth in the preamble of this Agreement, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

"**AIV Holdings**" has the meaning set forth in the preamble of this Agreement.

"**AIV Holdings Joinder Agreement**" has the meaning set forth in the preamble of this Agreement.

"**AIV Holdings Member**" means AIV Holdings and any Permitted Transferees of AIV Holdings (so long as Section 8.2 has been satisfied with respect to such Permitted Transferee); provided that if AIV Holdings and all of its Permitted Transferees cease to own Common Membership Units, then AIV Holdings and its Permitted Transferees shall no longer be treated as the AIV Holdings Member under this Agreement.

"**Beneficial Owner**" (including, with correlative meaning, the term "**beneficially owns**") has the meaning attributed to it in Rules 13d-3 and 13d-5 under the Exchange Act, whether or not applicable. For purposes of this Agreement no Member shall be deemed to be the Beneficial Owner of New Mountain Finance Common Stock solely by reason of such Member's ownership of Common Membership Units that are exchangeable pursuant to Section 7.4 or Section 9.1.

"**Board**" has the meaning set forth in Section 4.1(a) of this Agreement.

"**Budget**" means an annual operating and capital budget of the Company, including, among other things, anticipated revenues, expenditures (capital and operating), and cash and capital requirements of the Company for the following year.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"**Business Development Company**" has the meaning set forth under Section 2(a)(48) of the Investment Company Act.

"**Capital Account**" has the meaning set forth in Section 6.2(a) of this Agreement.

"**Capital Contribution**" means (i) the total amount of cash and the fair market value of assets contributed (or deemed contributed) by a Member to the Company determined (x) as of the Cutoff Date, in the case of cash and assets deemed contributed to the Company by Guardian Partners and Guardian AIV pursuant to the Guardian Partners Merger, subject to any reasonable adjustments as determined by the Board, and (y) at the date on which any other assets are contributed (or deemed contributed) to the Company by a Member, in each case as determined by the Board (net of all liabilities that the Company is considered to assume or take subject to) and (ii) in the case where the Investment Adviser receives payment of a portion of the incentive fee in Common Membership Units pursuant to the Investment Management Agreement, the total amount of cash that the Investment Adviser would have received if such portion of such incentive fee had been paid entirely in cash rather than in Common Membership Units.

"**Capital Stock**" means (i) with respect to any Person that is a corporation, any and all shares, interests in, participations in (or other equivalents), however designated, of corporate stock, including each class of common stock and preferred stock of such Person and

(2) with respect to any Person that is not a corporation, any and all partnership, limited liability company or other equity interests of such Person or any other interest that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets, of the issuing Person.

"**Carrying Value**" means, with respect to any asset of the Company, the asset's adjusted basis for U.S. federal income tax purposes, except as follows:

(i) the Carrying Value of any asset contributed (or deemed contributed) by a Member to the Company will be the fair market value of the asset (x) as of the Cutoff Date in the case of any asset deemed contributed to the Company by Guardian Partners and Guardian AIV pursuant to the Guardian Partners Merger, subject to any reasonable adjustment as determined by the Board, and (y) at the date on which any other asset is contributed (or deemed contributed) to the Company, in each case as determined by the Board;

(ii) the Carrying Values of all assets of the Company shall be adjusted to equal their respective fair market values, in accordance with the rules, events, and times, set forth in Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and otherwise provided for in the rules governing maintenance of Capital Accounts under Treasury Regulations; provided, however, that such adjustments shall be made only if the Board determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members;

(iii) any adjustments to the adjusted basis of any asset of the Company pursuant to Section 734 or Section 743 of the Code shall be taken into account in determining such asset's Carrying Value in a manner consistent with Treasury Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that the Carrying Value of any asset of the Company shall not be adjusted pursuant to this clause (iii) to the extent that an adjustment pursuant to clause (ii) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iii);

(iv) in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(e), the Carrying Value of any asset of the Company distributed to any Member shall be adjusted immediately prior to such distribution to equal its fair market value as of the time such asset is distributed as determined by the Board; and

(v) if the Carrying Value of any asset of the Company has been determined pursuant to clause (i), (ii) or (iii) of this definition, to the extent permitted by the Treasury Regulations, such Carrying Value shall thereafter be adjusted in the same manner as would the asset's adjusted basis for U.S. federal income tax purposes in accordance with and subject to the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(g).

"**Certificate**" has the meaning set forth in Section 2.1(a) of this Agreement.

"**Certificate of Amendment**" has the meaning set forth in Section 2.1(a) of this Agreement.

"**Claim**" means any Action, complaint, charge or investigation pending or, to the Person's knowledge, threatened against the Person or any of its

Representatives.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute and the rules and regulations thereunder in effect from time to time. Any reference herein to a specific provision of the Code shall mean, where appropriate, the corresponding provision in any successor statute.

"**Commission**" means the United States Securities and Exchange Commission.

"**Common Membership Unit**" means a Unit representing, when outstanding, a fractional part of the Interests of all Members holding Common Membership Units, and having the rights and obligations specified with respect to Common Membership Units in this Agreement.

"**Company**" has the meaning set forth in the preamble of this Agreement.

"**Company Interests**" means, with respect to any New Mountain Finance Securities, the corresponding class of Units or Equity Interests, as applicable, with designations, preferences and other rights, terms and conditions (other than financial covenants applicable to New Mountain Finance or its Subsidiaries) that are substantially the same as the designations, preferences and other rights, terms and conditions of such other New Mountain Finance Securities.

"**Company Purposes**" has the meaning set forth in Section 2.6 of this Agreement.

"**Concurrent Offering**" has the meaning set forth in the preamble of this Agreement.

"**Confidential Information**" has the meaning set forth in Section 10.4(a) of this Agreement.

"**Control**" (including the terms "**Controlled by**" and "**under common Control with**"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting Equity Interests, as trustee or executor, by contract or otherwise.

"**Credit Agreement**" means the Amended and Restated Loan and Security Agreement, dated as of , 2011, among the Company, as the borower and the collateral administrator, each of the lenders from time to time party thereto, Wells Fargo Securities, LLC, as the administrative agent, and Wells Fargo Bank, National Association, as the collateral custodian, as may be amended, modified, waived, supplemented or restated from time to time.

"**Cutoff Date**" means March 31, 2011, the date as of which the Company will calculate net asset value per Unit.

"**Director**" has the meaning set forth in Section 4.1(a) of this Agreement.

"**Dissolution Exchange Date**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchange Notice**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchange Right**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dissolution Exchanging Non-NMF Member**" has the meaning set forth in Section 7.4(a) of this Agreement.

"**Dividend Reinvestment Plan**" means the dividend reinvestment plan that New Mountain Finance has adopted pursuant to which its distributions will be reinvested in New Mountain Finance Common Stock on behalf of its stockholders.

"**Equity Interests**" means:

(i) with respect to the Company, any and all units, interests, participations or other equivalents (however designated, whether voting or non-voting) of limited liability company interests or equivalent ownership interests in, or issued by, the Company or interests, participations or other equivalents to share in the revenues or earnings of the Company, or securities convertible into, or exchangeable or exercisable for, such units, interests, participations or other equivalents and options, warrants or other rights to acquire such units, interests, participations or other equivalents (including, Indebtedness that is convertible into, or exchangeable for, units, interests, participations or other equivalents), but shall not include any other Indebtedness of the Company, and

(ii) with respect to any other Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited), limited liability company interests or equivalent ownership interests in or issued by, or interests, participations or other equivalents to share in the revenues or earnings of including any form of beneficial interest in a trust, such Person or securities convertible into, or exchangeable or exercisable for, such shares, interests, participations or other equivalents and options, warrants or other rights to acquire such shares, interests, participations or other equivalents (including, Indebtedness that is convertible into, or exchangeable for, shares, interests, participations or other equivalents), but shall not include any other Indebtedness of such Person.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Excess Nonrecourse Liability**" has the meaning set forth Treasury Regulations Section 1.752-3(a)(3).

"**Exchange Act**" means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Exchange Date**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Notice**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Right**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchange Units**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Exchanging Member**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Fiscal Month**" means each fiscal month within the Company's Fiscal Year, as determined by the Board.

"**Fiscal Quarter**" means each fiscal quarter, which shall consist of three Fiscal Months.

"**Fiscal Year**" means the fiscal year of the Company ending on December 31 of each year.

"**GAAP**" means the generally accepted accounting principles in the United States, including those set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as approved by a significant segment of the accounting profession.

"**Governmental Authority**" means any United States federal, state or local or any foreign government, supranational, governmental, regulatory or administrative authority, instrumentality, agency or commission, political subdivision, securities self-regulatory organization or any court, tribunal or judicial or arbitral body or other governmental authority.

"**Group**" has the meaning set forth in Section 13(d)(3) and Rule 13d-5 of the Exchange Act.

"**Guardian AIV**" has the meaning set forth in the preamble of this Agreement.

"**Guardian Partners**" has the meaning set forth in the preamble of this Agreement.

"**Guardian Partners Merger**" has the meaning set forth in the preamble of this Agreement.

"**Indebtedness**" means, with respect to any Person, at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments issued by such Person, (iii) all obligations of such Person to pay the deferred purchase price for property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person evidenced by surety bonds or other similar instruments, (v) all reimbursement obligations of such Person in respect of letters of credit or other similar instruments, (vi) all Indebtedness of others secured by any lien, security interest or mortgage on any asset of such Person and (vii) all Indebtedness of others guaranteed (whether by virtue of partnership

arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain a minimum net worth, financial ratio or similar requirements, or otherwise) by such Person.

"**Indemnitee**" has the meaning set forth in Section 4.8(a) of this Agreement.

"**Independent Counsel**" has the meaning set forth in Section 4.8(c) of this Agreement.

"**Information**" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, geological information, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"**Initial LLC Agreement**" has the meaning set forth in the recitals of this Agreement.

"**Initial Public Offering**" has the meaning set forth in the preamble of this Agreement.

"**Interest**" means a Member's limited liability company interest in the Company as provided in this Agreement and under the LLC Act, and, in addition, any and all rights and benefits to which a Member is entitled under this Agreement and/or the LLC Act, together with all duties and obligations of such Person to comply with this Agreement and/or the LLC Act.

"**Investment Adviser**" means New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company.

"**Investment Company Act**" means the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"**Investment Management Agreement**" means the Investment Management Agreement to be entered into between the Company and the Investment Adviser, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**IPO Date**" means the closing date of the Initial Public Offering.

"**law**" means any law (statutory, common or otherwise), constitution, ordinance, code, rule, regulation, executive order or other similar authority enacted, adopted, promulgated or applied by any Governmental Authority, each as amended from time to time.

"**Liabilities**" means all damages, losses, liabilities or obligations, payments, amounts paid in settlement, fines, penalties, costs of burdens associated with performing

injunctive relief and other costs (including reasonable fees and expenses of outside attorneys, accountants and other professional advisors, and of expert witnesses and other costs of investigation, preparation and litigation in connection with any Action, appeal, petition, plea, charge, complaint, claim, suit, demand, litigation, arbitration, mediation, hearing, inquiry, investigation or similar matter or proceeding) of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute, contingent or vested, accrued or unaccrued, liquidated or unliquidated, or matured or unmatured.

"**License Agreement**" means the License Agreement to be entered into by and between the Company and New Mountain Finance, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Lien**" means, with respect to any asset, any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement and any lease in the nature thereof.

"**Liquidator**" has the meaning set forth in Section 7.2 of this Agreement.

"**LLC Act**" means the Delaware Limited Liability Company Act, 6 Del.C. §§18-101, et seq., as it may be amended from time to time, and any successor to such statute.

"**Member**" means each Person that is or becomes a member, as contemplated in the LLC Act, of the Company in accordance with the provisions of this Agreement and is listed on Schedule A to this Agreement (as such Schedule may be amended or modified from time to time) and has not ceased to be a Member as provided in Section 3.1(e) of this Agreement.

"**Member Information**" has the meaning set forth in Section 10.4(c) of this Agreement.

"**Net Income**" or "**Net Losses**," as appropriate, means, for any period, the taxable income or tax loss of the Company for such period for U.S. federal income tax purposes, as determined in accordance with the accounting method used by the Company for U.S. federal income tax purposes, with the following adjustments:

(i) there shall be taken into account any separately stated items under Section 702(a) of the Code;

(ii) any tax-exempt income received by the Company shall be deemed for these purposes only to be an item of gross income;

(iii) any expenditure of the Company described in Section 705(a)(2)(B) of the Code (or treated as described therein pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i)) shall be treated as a deductible expense;

(iv) if the Carrying Value of any asset of the Company is adjusted pursuant to clause (ii), (iii) or (iv) of the definition thereof, the amount of such adjustment shall be taken into account in the period of adjustment as gain or loss from the disposition or deemed disposition of

such asset for purposes of computing Net Income and Net Losses, but in the case of an adjustment pursuant to clause (ii) of the definition of Carrying Value only in the manner and subject to the limitations prescribed in Treasury Regulations Section 1.704-1(b)(iv)(m)(4);

(v) in the case of an asset of the Company described in clause (i) of the definition of Carrying Value or that is adjusted pursuant to clause (ii) of the definition of Carrying Value, Net Income and Net Losses of the Company (and the constituent items of income, gain, loss and deduction) realized with respect to such asset shall be computed in accordance with the principles of Treasury Regulations Section 1.704-1(b)(2)(iv)(g); and

(vi) any amounts paid to the Investment Adviser pursuant to the Investment Management Agreement shall be treated as payments to a non-Member under Section 707 of the Code.

"**New Mountain Capital**" means New Mountain Capital Group, L.L.C., a Delaware limited liability company.

"**New Mountain Finance**" has the meaning set forth in the preamble of this Agreement.

"**New Mountain Finance Common Stock**" means the common stock, par value $0.01, of New Mountain Finance.

"**New Mountain Finance Joinder Agreement**" has the meaning set forth in the preamble of this Agreement.

"**New Mountain Finance Securities**" means any Equity Interests of New Mountain Finance, or any rights, options, warrants or convertible or exchangeable securities having the right to convert into, exchange for, subscribe for or purchase any Equity Interests of New Mountain Finance.

"**New Mountain Finance Stock Offering**" means a primary offering by New Mountain Finance of its Common Stock, including, without limitation, the Initial Public Offering, the Concurrent Offering and any other offerings.

"**Non-NMF Member**" means, unless the context otherwise requires, Guardian AIV (for so long as Guardian AIV is a Member), Guardian Partners (for so long as Guardian Partners is a Member), the AIV Holdings Member and each additional Person, except for New Mountain Finance, but including the Investment Adviser and Permitted Transferees (so long as Section 8.2 has been satisfied with respect to such Permitted Transferees), that becomes a Member pursuant to the terms of this Agreement, in such Person's capacity as a member of the Company.

"**Nonrecourse Debt**" means any Company liability to the extent that no Member (or related person within the meaning of Treasury Regulations Section 1.752-4(b)) bears the economic risk of loss for such liability under Treasury Regulations Section 1.752-2.

"**Over-Allotment Option**" means the over-allotment option that may be exercised by the Underwriters of the Initial Public Offering pursuant to the Underwriting Agreement.

"**Party**" or "**Parties**" means the Company and each Member of the Company.

"**Percentage Interest**" means, with respect to any Member at any time holding Common Membership Units, the quotient, expressed as a percentage, obtained by dividing (i) the number of Common Membership Units held by such holder at the time of such calculation, by (ii) the total number of all Common Membership Units outstanding at the time of such calculation.

"**Permitted Transferee**" means in the case of any Member, an Affiliate of such Member, and in the case of the Investment Adviser, an officer, director, member, manager, equity holder, employee, agent or Affiliate of the Investment Adviser and any of their heirs, executors, successors and assigns.

"**Person**" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association,

joint venture, Governmental Authority or other entity or organization of any nature whatsoever.

"**Private Resale**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Proceeding**" has the meaning set forth in Section 4.8(a) of this Agreement.

"**Prohibited Person**" means any Person with whom a Member would be restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H. R. 3162, Public Law 107 56, as amended, and Executive Order Number 13224 on Terrorism Financing, effective September 24, 2001, and regulations promulgated pursuant thereto, including, without limitation, Persons named on the Office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List, as such List may be amended from time to time.

"**Registration Rights Agreement**" means the Registration Rights Agreement to be entered into among the Company, New Mountain Finance, AIV Holdings, Guardian Partners and the Investment Adviser, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Regulated Investment Company**" has the meaning set forth in Section 2.6 of this Agreement.

"**Representative**" has the meaning set forth in Section 4.7(a) of this Agreement.

"**Retraction Notice**" has the meaning set forth in Section 9.1(b) of this Agreement.

"**Section 704(c) Property**" means any asset of the Company if the Carrying Value of such asset differs from its adjusted tax basis.

"**Subsidiary**" means, with respect to any Person, (i) a corporation a majority of whose Capital Stock with the general voting power under ordinary circumstances to vote in the election of directors of such corporation (irrespective of whether or not, at the time, any other class or classes of securities shall have, or might have, voting power by reason of the happening of any contingency) or a majority of the outstanding Equity Interests is at the date of determination beneficially owned by such Person, by one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries thereof or (ii) any other Person (other than a corporation), including a joint venture, a general or limited partnership or a limited liability company, in which such Person, one or more Subsidiaries thereof or such Person and one or more Subsidiaries thereof, directly or indirectly, at the date of determination thereof, beneficially owns (x) at least a majority ownership interest entitled to vote in the election of directors, managers or trustees thereof (or other Persons performing such functions), (y) at least a majority of the outstanding Equity Interests or (z) otherwise acts as the general partner or managing member of such other Person.

"**Tax Matters Member**" has the meaning set forth in Section 6.7(a) of this Agreement.

"**Termination Notice**" has the meaning set forth in Section 9.1(b) of this Agreement.

"**Transaction Documents**" means, collectively, the following agreements:

(i) this Agreement;
(ii) the Administration Agreement;
(iii) the Investment Management Agreement;
(iv) the License Agreement; and
(v) the Registration Rights Agreement.

"**Transfer**" (including the term "**Transferred**") means, directly or indirectly and by operation of law or otherwise, to sell, transfer, give, exchange, bequest, assign, pledge, grant a security interest in, encumber, hypothecate or otherwise dispose of, either voluntarily or involuntarily.

"**Transferring Member**" has the meaning set forth in Section 8.1(a) of this Agreement.

"**Treasury Regulations**" means the federal income tax regulations, including any temporary regulations, promulgated under the Code, as such Treasury Regulations may be amended from time to time. Any and all references herein to specific Treasury Regulations provisions shall be deemed to refer to any corresponding successor provisions.

"**Underwriters**" means the several underwriters of the Initial Public Offering named in the Underwriting Agreement.

"**Underwriting Agreement**" means the underwriting agreement entered into among New Mountain Finance and the Underwriters for the Initial Public Offering.

"**Underwritten Resale**" has the meaning set forth in Section 9.1(a) of this Agreement.

"**Unit**" has the meaning set forth in Section 3.3(a).

1.2 Other Definitional Provisions; Interpretation.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole, including the schedules and exhibits attached hereto, and not to any particular provision of this Agreement. Article, section and subsection references are to this Agreement unless otherwise specified.

(b) The words "include" and "including" and words of similar import when used in this Agreement shall be deemed to be followed by the words "without limitation."

(c) The titles and headings in this Agreement are included for convenience of reference only and will not limit or otherwise affect the meaning or interpretation of this Agreement.

(d) The meanings given to capitalized terms defined herein will be equally applicable to both the singular and plural forms of such terms. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(e) If and to the extent that any provision of the LLC Act, the Certificate, the Certificate of Amendment or any provision of this Agreement conflicts with any provision of the Investment Company Act or interpretation thereof by the U.S. Securities and Exchange Commission, the applicable provision of the Investment Company Act or applicable interpretation shall control.

ARTICLE 2
FORMATION

2.1 Formation; Qualification.

(a) A Certificate of Formation of the Company (the "**Certificate**") was filed with the Secretary of State of the State of Delaware on October 29, 2008 to form on such date the Company as a limited liability company pursuant to the LLC Act. A Certificate of Amendment was filed with the Secretary of State of the State of Delaware on , 2011, renaming the Company "New Mountain Finance Holdings, L.L.C." (the "**Certificate of Amendment**"). The rights, duties and liabilities of the Members shall be as provided in the LLC Act, except as otherwise provided in this Agreement.

(b) The Company shall be qualified or registered under foreign limited liability company statutes or assumed or fictitious name statutes or similar laws in any jurisdiction in which the Company owns property or transacts business to the extent, in the judgment of the Board, such qualification or registration is necessary or advisable in order to protect the limited liability of the Members or to permit the Company lawfully to own property

or transact business. The Board shall, to the extent necessary in the judgment of the Board, maintain the Company's good standing in each such jurisdiction.

(c) Each Director shall be an "authorized person" within the meaning of § 18-204(a) of the LLC Act, and shall have the power and authority to execute, file and publish any certificates, notices, statements or other documents (and any amendments or restatements thereof) necessary to permit the Company to conduct business as a limited liability company in each jurisdiction where the Company elects to do business.

2.2 Name. The name of the limited liability company formed by the filing of the Certificate, as amended by the filing of the Certificate of Amendment is "New Mountain Finance Holdings, L.L.C." The business of the Company may be conducted under such other names as the Board may from time to time designate; provided that the Company complies with all applicable laws relating to the use of fictitious and assumed names.

2.3 Term. The term of the Company commenced as of the date of filing the Certificate and will continue in perpetuity;provided that the Company may be dissolved in accordance with the provisions of this Agreement or the LLC Act.

2.4 Principal Executive Offices. The Company's principal offices shall be located in 787 7th Avenue, 48th Floor, New York, NY 10019 or at such location as the Board determines from time to time in its sole discretion.

2.5 Registered Agent and Office. The address of the Company's registered office in the State of Delaware is c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808. The name of the Company's registered agent at such address is Corporation Service Company. The Board may at any time designate a replacement registered agent or registered office or both.

2.6 Purpose. The purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be formed under the LLC Act (the "**Company Purposes**"); provided that the Company's business and operations shall be limited and conducted in such a manner that will (a) permit New Mountain Finance at all times to satisfy the requirements for qualification as a Business Development Company, unless New Mountain Finance voluntarily withdraws its election to be a Business Development Company in accordance with the requirements with respect thereto under the Investment Company Act, (b) permit New Mountain Finance at all times to satisfy the requirements for qualification as a regulated investment company under Subchapter M of the Code (a "**Regulated Investment Company**") unless New Mountain Finance ceases to qualify as a Regulated Investment Company for reasons other than the conduct of the business and operations of the Company or voluntarily revokes its election to be a Regulated Investment Company and (c) ensure that the Company will not be classified as a "publicly traded partnership" taxable as a corporation for purposes of Section 7704 of the Code except to the extent determined by the Board.

2.7 Powers. The Company shall have the power and authority to take any and all actions necessary, appropriate, desirable, advisable, incidental or convenient to, or for the furtherance of, the Company Purposes, alone or with other Persons; provided, however, that the Company shall not take any action that, or omit to take any action which omission, in the

judgment of the Board, (i) could adversely affect the ability of New Mountain Finance to qualify and to continue to qualify as a Business Development Company and a Regulated Investment Company or (ii) could subject New Mountain Finance to any additional taxes under Section 852 of the Code or Section 4982 of the Code or any other related or successor provision of the Code, unless any such action (or omission) under the foregoing clause (i) or (ii) shall have been specifically consented to by New Mountain Finance in writing. In connection with the foregoing, and without limiting New Mountain Finance's right to cease qualifying as a Business Development Company and/or a Regulated Investment Company, the Members acknowledge that New Mountain Finance's expected status as a Regulated Investment Company and the avoidance of income and excise taxes on New Mountain Finance inures to the benefit of all the Members and not solely New Mountain Finance. Notwithstanding the foregoing, the Non-NMF Members agree that New Mountain Finance may terminate its status as a Business Development Company and/or Regulated Investment Company at any time to the fullest extent permitted under applicable law.

ARTICLE 3
MEMBERS AND INTERESTS

3.1 Members.

(a) Each of Guardian Partners and Guardian AIV was previously admitted as a Member to the Company pursuant to the Initial LLC Agreement, as amended. Each Person named as a Member on Schedule A hereto on the date hereof shall be deemed to own the number of Common Membership Units specified in Schedule A.

(b) In addition to the information described in Section 3.1(a) hereof, Schedule A hereto contains the name and address of each Member as of the date hereof. The Company shall revise Schedule A (i) following the contribution by Guardian AIV to AIV Holdings of its Common Membership Units in exchange for common stock of AIV Holdings and the execution by AIV Holdings of the AIV Holdings Joinder Agreement, (ii) following the contribution by Guardian Partners to New Mountain Finance of its Common Membership Units in exchange for a number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units so contributed and the execution by New Mountain Finance of the New Mountain Finance Joinder Agreement, (iii) following the contribution by New Mountain Finance to the Company of the proceeds of the Initial Public Offering and the Concurrent Offering in exchange for Common Membership Units pursuant to Section 5.2(a), (iv) following the exercise by the Underwriters of the Over-Allotment Option, if any, to reflect the issuance of additional Common Membership Units to New Mountain Finance pursuant to

Section 5.2(a), (v) from time to time to reflect the issuance or Transfer of Units in accordance with the terms of this Agreement and other modifications to or changes in the information set forth therein, (vi) in accordance with Sections 3.3, 3.4, 5.2, 7.4, 8.2 and 9.1 and (vii) from time to time to reflect the issuance of Units to the Investment Adviser pursuant to the Investment Management Agreement. Any amendment or revision to Schedule A or to the Company's records as contemplated by this Agreement to reflect information regarding Members or under Section 3.3, 3.4, 5.2, 7.4, 8.2 or 9.1 and in accordance with such Sections shall be deemed to amend this Agreement, but shall not require the approval of any Member.

(c) Each of AIV Holdings and New Mountain Finance will be admitted as a Member of the Company only upon the execution and delivery of the AIV Holdings Joinder Agreement and the New Mountain Finance Joinder Agreement, respectively, and will not be considered to be a Member, and nothing in this Agreement, express or implied, is intended to confer upon either of AIV Holdings or New Mountain Finance any rights, remedies, duties or obligations of any nature whatsoever under or by reason of this Agreement, until such joinder agreement is executed by the Company. One or more additional Persons may be admitted as a Member of the Company only upon (i) an issuance of Units or other Company Interests pursuant to and in compliance with Sections 3.3 or 3.4 or a Transfer of Units pursuant to and in compliance with Article 8 and (ii) the execution and delivery by such Person of a counterpart to this Agreement or other written agreement, in a form reasonably satisfactory to the Board, to be bound by all the terms and conditions of this Agreement. Upon such execution, the Company shall amend Schedule A (which shall be deemed an amendment to this Agreement) to reflect the admission of such Person as a Member and such other information of such Person as indicated in Schedule A. Unless admitted to the Company as a Member as provided in this Section 3.1 or Section 8.2, no Person is, or will be considered to be, a Member.

(d) Notwithstanding the foregoing clause (c) of this Section 3.1, in no case will the Board admit any Member, issue any Equity Interests in the Company, consent to any Transfer or otherwise take any action if such admittance, issuance, Transfer or other action would cause the Company to be a partnership that has more than one hundred (100) partners within the meaning of Treasury Regulations Section 1.7704-1(h)(1)(ii).

(e) Subject to the other provisions of this Section 3.1 and Section 8.2, each Person that holds one or more Units in compliance with the terms of this Agreement shall be a Member. A Member will cease to be a Member when such Person ceases to own any Units in the Company, in which case Schedule A shall be amended by the Company to reflect that such Person is no longer a Member; provided that the failure to so amend Schedule A shall not affect such Person's status as a former Member.

(f) Except as provided in the LLC Act, this Agreement or as otherwise agreed by a Member, in no event shall any Member (or any former Member), by reason of its status as a Member (or former Member), have any liability or responsibility for (i) any Indebtedness, duties, Liabilities or any other obligations of the Company or any other Member (or any former Member) under this Agreement, (ii) the repayment of any Capital Contribution of any other Member or (iii) any act or omission of any other Member (or any former Member).

3.2 Meeting of Members.

(a) Annual Meeting. Subject to Section 3.2(h), an annual meeting of Members shall be held on such date and at such time as (i) shall be designated from time to time by the Board, but no less often than once during each calendar year starting with calendar year 2012, and (ii) stated in the notice of the meeting, at which meeting the Members entitled to vote shall transact such business as may properly be brought before the meeting. Subject to Section 3.2(h), the Company shall endeavor to have each such annual meeting of the Members occur concurrently with New Mountain Finance's annual meeting of stockholders (it being understood and agreed that New Mountain Finance's first annual meeting of stockholders will occur in 2012). At each annual meeting of the Members, the Members shall elect, subject to Section

3.2(g)(ii), Directors to succeed those whose terms expire and transact such other business as may properly be brought before the meeting.

(b) Special Meetings. A special meeting of Members, for any purpose or purposes, may be called by the Board upon giving written notice of the special meeting as set forth in clause (d) of this Section 3.2.

(c) Place and Conduct of Meetings. Meetings of the Members shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board and stated in the notice of the meeting or in a duly executed waiver of notice thereof. All meetings shall be conducted by such Person as the Board may appoint pursuant to such rules for the conduct of the meeting as the Board or such other Person deems appropriate. Such meetings may be held in person, by teleconference or by any other reasonable means, in each case in the sole discretion of the Board.

(d) Notice of Meetings. Written notice of an annual meeting or special meeting stating the place, if any, date and hour of the meeting, means of remote communications, if any, by which Members may be deemed to be present in person and vote at such meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by the Board no later than ten (10) calendar days nor more than ninety (90) days before the date of the meeting to each Member entitled to vote at such meeting, unless waived by each such Member. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communications, if any, by which Members may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which Members may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

(e) Waiver of Notice. No notice of any meeting of Members need be given to any Member who submits a signed waiver of notice, whether before or after the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Members need be specified in a written waiver of notice. The attendance of any Member at a meeting of Members shall constitute a waiver of notice of such meeting, except when the Member attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting is not lawfully called or convened.

(f) Quorum. The presence of the holders of a majority of all the Common Membership Units then outstanding and entitled to vote thereat, whether in person or represented by a valid written proxy, shall constitute a quorum at all meetings of the Members for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the Members, the Person conducting the meeting or the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from

time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

(g) Voting. (i) When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the voting power of the issued and outstanding Common Membership Units present in person or represented by proxy and entitled to vote thereon shall decide any question brought before such meeting, unless

the question is one upon which by express provision of law (including the Investment Company Act or any other statute and rules and regulations of administrative agencies), or as otherwise set forth herein, a different vote is required, in which case such express provision shall govern and control the decision of such question. Where a separate vote by a class or classes or series or series of outstanding Units is required, the affirmative vote of the majority of voting power of such class or classes or series or series present in person or represented by proxy at the meeting and entitled to vote thereon shall be the act of such class or classes or series or series, unless the question is one upon which by express provision of law (including the Investment Company Act or any other statute and rules and regulations of administrative agencies) or as otherwise set forth herein, a different vote is required, in which case such express provision shall govern and control the decision of such question. Unless required by statute, or determined by the chairperson of the meeting to be advisable, the vote on any question need not be by ballot.

(ii) Subject to, and to the extent permitted by, the Investment Company Act, a nominee for Director shall be elected to the Board at a meeting if the votes cast for such nominee's election exceed the votes cast against such nominee's election; provided, however, that Directors shall be elected by a plurality of the votes cast for nominees who are validly nominated and qualified at any meeting of Members for which (i) a nominee for Director has also been nominated for election to the board of directors of New Mountain Finance by a stockholder of New Mountain Finance in compliance with the advance notice requirements for stockholder nominees for directors set forth in the bylaws of New Mountain Finance and (ii) such nomination has not been withdrawn as described in the bylaws of New Mountain Finance. If a Director is to be elected by a plurality of the votes cast, Members shall not be permitted to vote against a nominee.

(h) Action by Consent. Any consent required herein or action required to be taken at any meeting of Members, or any action which may be taken at any meeting of such Members, may be taken without a meeting, without a vote, without prior written notice and with a consent or consents in writing signed by Members who are holders of outstanding Common Membership Units having not less than the minimum number of votes, pursuant to clause (g) of this Section 3.2, that would be necessary to authorize or take such action at a meeting at which all Common Membership Units entitled to vote thereon were present and voted, other than any consent or action of Members pursuant to the Investment Company Act that requires the votes of Members to be cast in person at a meeting. Prompt notice of the taking of the action without a meeting by less than unanimous written consent shall be given to those Members who are holders of Common Membership Units and who have not consented in writing; provided that the failure to give any such notice shall not affect the validity of the action taken by such written consent.

3.3 Membership Units.

(a) Units. The Interests in the Company may, to the extent permissible under the Investment Company Act, be represented by one or more classes of units (each, a "**Unit**"). The aggregate number of authorized Units that the Company is authorized to issue is 100,000,000 Common Membership Units. The aggregate number of authorized Units shall not be changed, modified or adjusted from that set forth in the immediately preceding sentence; provided, that, in the event the total number of authorized shares of New Mountain Finance Common Stock under the certificate of incorporation of New Mountain Finance shall be increased or decreased after the date of this Agreement, then the total number of authorized Units shall be automatically correspondingly increased or decreased by the same number so that the number of the authorized Units equals the number of authorized shares of New Mountain Finance Common Stock. Any Units repurchased by, or otherwise transferred to, the Company or otherwise forfeited (but not cancelled by the Company) shall thereafter be deemed to be authorized but unissued and may be subsequently issued as Units for all purposes hereunder in accordance with this Agreement; provided, however, that such Units will be deemed to be cancelled and thus not be available or authorized to be subsequently issued by the Company to the extent necessary to maintain a one-to-one ratio between the number of Common Membership Units authorized for issuance by the Company and the number of shares of New Mountain Finance Common Stock authorized for issuance by New Mountain Finance. Any Units repurchased by, or otherwise transferred to, the Company and cancelled by the Company shall thereafter not be available or authorized to be subsequently issued by the Company. Subject to Section 10.2, in the event that the Company issues an additional class of Units other than Common Membership Units, the Board shall make such revisions to this Agreement (including, but not limited to, the revisions described in Section 5.6 and Section 6.5), as it deems necessary to reflect the issuance of such additional Units.

(b) Register. Schedule A shall be the register of ownership of all Interests in the Company (including any outstanding Units) as provided in this Section and shall be the definitive record of ownership of all Interests in the Company (including any outstanding Units) and all relevant information with respect to each Member. Units shall be uncertificated and recorded in the books and records of the Company.

(c) Common Membership Units. The Common Membership Units shall consist of equal units (and may be issued in fractional units). The Common Membership Units shall have the rights and obligations set forth herein including being entitled to share in distributions and allocations as provided in Sections 5.5, 6.2, 6.3, 6.4 and 7.3, and as otherwise provided in this Agreement.

(d) Splits, Distributions and Reclassifications. Effective as of the date of this Agreement, all of the authorized and issued Units held by Guardian AIV and Guardian Partners shall be deemed to be reclassified, converted into and exchanged for Common Membership Units as set forth on Schedule A hereto. Other than as set forth in the immediately preceding sentence, neither the Company nor New Mountain Finance shall in any manner divide (by any split, distribution, reclassification, recapitalization or otherwise) or combine (by reverse split, reclassification, recapitalization or otherwise) any class or series of the outstanding Units or New Mountain Finance Securities (including, but not limited to, New Mountain Finance Common Stock) (an "**Adjustment Event**") unless an identical Adjustment Event is occurring with respect

to the corresponding class or series of Units or New Mountain Finance Securities, in which event, the Company and New Mountain Finance shall cause such class or series of Units or New Mountain Finance Securities to be divided or combined concurrently with and in the same manner as the corresponding class or series of Units or New Mountain Finance Securities subject to such Adjustment Event. Any Adjustment Event pursuant to this Section 3.3(d) resulting in a distribution to holders of a class of New Mountain Finance Securities must include an economically equivalent distribution to holders of the corresponding class or series of Units. In the event of a partial reclassification or a series of multiple transactions (whether related or not) whereby holders of a class of New Mountain Finance Securities receive or are entitled to receive more than a single type of consideration (determined based upon any form of stockholder election as applicable), New Mountain Finance and the Company shall cause holders of the corresponding class or series of Units to have the right, in the holder's sole discretion, to elect the type of consideration (in the same manner, and at the same time, as any such form of election available to such holders of New Mountain Finance Securities). Notwithstanding the foregoing, nothing in this Section 3.3(d) shall modify, alter or supersede the provisions of Section 10.2 of this Agreement or any other provision of this Agreement requiring the consent or approval of any Member to authorize or approve any transaction or event described in this Section 3.3(d).

(e) Issuances of New Mountain Finance Securities; Mergers, Consolidation, Etc.

(i) At any time New Mountain Finance issues any New Mountain Finance Securities, other than pursuant toSections 7.4 and 9.1 of this Agreement, the Company shall issue to New Mountain Finance (x) in the case of an issuance of shares of New Mountain Finance Common Stock, including any New Mountain Finance Stock Offering and issuances of shares of New Mountain Finance Common Stock pursuant to the Dividend Reinvestment Plan, an equal number of Common Membership Units, registered in the name of New Mountain Finance or (y) in the case of an issuance of any other New Mountain Finance Securities of any other class, type or kind, an equal number of corresponding Company Interests with designations, preferences and other rights, terms and conditions (other than financial covenants applicable to New Mountain Finance or its Subsidiaries) that are substantially the same as the designations, preferences and other rights, terms and conditions of the corresponding New Mountain Finance Securities, registered in the name of New Mountain Finance. Distributions used by the plan administrator of the Dividend Reinvestment Plan to purchase New Mountain Finance Common Stock on the open market pursuant to the Dividend Reinvestment Plan shall not be considered to be received by New Mountain Finance for the purposes of this Section 3.3(e)(i) and, as a result, shall not require any additional issuance of Common Membership Units.

(ii) In the event of (A) any consolidation or merger or combination to which New Mountain Finance is a party (other than a merger in which New Mountain Finance is the continuing corporation and which does not result in any reclassification of, or change (other than in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination) in the number of, outstanding shares of New Mountain Finance Common Stock) or (B) any sale, Transfer or other disposition of all or substantially all of the assets of New Mountain Finance, directly or indirectly, to any Person, as a result of which holders of New Mountain Finance Common Stock shall be entitled to receive either stock,

securities or other property or assets (including cash) as consideration with respect to or in exchange for New Mountain Finance Common Stock, then New Mountain Finance shall take all necessary action such that the Common Membership Units then outstanding and held by Non-NMF Members shall be exchangeable on a per-Common Membership Unit basis at any time or from time to time following such event at the option of each Non-NMF Member into the kind and amount of shares of stock and/or other securities and property (including cash) that would have been receivable by such Non-NMF Members upon such consolidation, merger, sale, Transfer or other disposition had the Non-NMF Members held an equivalent amount of New Mountain Finance Common Stock (equal to the number of Common Membership Units held by such Non-NMF Members) immediately prior to the record date for such reclassification, change, combination, consolidation, merger, sale, Transfer or other disposition. If the holders of New Mountain Finance Common Stock, upon the occurrence of any event set forth in (A) or (B) of this clause (ii), shall be entitled to receive more than a single type of consideration for such shares of New Mountain Finance Common Stock (including cash, stock or other securities), then New Mountain Finance shall take all necessary action such that Common Membership Units held by the Non-NMF Members shall be exchangeable at any time or from time to time following such event at the option of the Non-NMF Member on a per-Common Membership Unit basis (as prescribed in the foregoing sentence) into the types of consideration available to, and consistent with the per share exchange ratio applicable to, holders of New Mountain Finance Common Stock at the occurrence of such event; provided, that, if pursuant to such event, holders of New Mountain Finance Common Stock receive or are entitled to receive more than a single type of consideration determined based, in whole or in part, upon any form of stockholder election, the Non-NMF Members shall have the right to elect the type of security that such Non-NMF Member shall be entitled to receive under this clause (ii) in a manner substantially similar to, and at the same time of, the election available to such holders of New Mountain Finance Common Stock. If pursuant to the provision set forth in the foregoing sentence, holders of New Mountain Finance Common Stock are entitled to receive cash, in addition to other type(s) of consideration, the Non-NMF Member shall have the right, in its sole discretion to exchange all or any portion of such Non-NMF Member's Common Membership Units for cash only. In the event that following the occurrence of any event set forth in (A) or (B) of this clause (ii) there is any concentrative or dilutive action taken by the successor entity to New Mountain Finance (including, without limitation, any dividend paid by such successor entity without a commensurate distribution to the Non-NMF Members of the Company), the ratio by which Common Membership Units are exchangeable into stocks or securities pursuant to this Section 3.3(e)(ii) shall be appropriately adjusted to reflect consideration received by holders of such stock or securities and not received by the Non-NMF Members holding Common Membership Units which would have been received had such Common Membership Units been exchanged into such stock or securities immediately prior to the record date for such event.

(f) Cancellation of Securities and Units.

(i) New Mountain Finance shall not undertake any redemption, repurchase, acquisition, exchange, cancellation or termination of any share of New Mountain Finance Common Stock that is not accompanied by a substantially contemporaneous prior (including economically equivalent consideration paid) redemption, repurchase, acquisition, cancellation or termination of Common Membership Units registered in the name of New Mountain Finance in order to maintain a one-to-one ratio between the number of Common

Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock issued and outstanding and not held in treasury, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Common Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock issued and outstanding and not held in treasury. Schedule A shall be revised by the Company to reflect any such redemption, repurchase, acquisition, cancellation or termination.

(ii) New Mountain Finance shall not undertake any redemption, repurchase, acquisition, incurrence, repayment, exchange, cancellation or termination of any New Mountain Finance Securities (other than shares of New Mountain Finance Common Stock that are subject to subsection (f)(i) above), that is not accompanied by a substantially contemporaneous prior (including economically equivalent consideration paid) redemption, repurchase, acquisition, incurrence, repayment, exchange, cancellation or termination of the corresponding Company Interest in order to maintain a one-to-one ratio between the number of applicable Company Interests and the number of corresponding New Mountain Finance Securities, unless such action is necessary to maintain at all times a one-to-one ratio between the number of Company Interests and the number of corresponding New Mountain Finance Securities. Schedule A shall be revised by the Company to reflect any such redemption, repurchase, acquisition, incurrence, repayment, exchange, cancellation or termination.

(g) One-to-One Ratio of Units/Interests held by New Mountain Finance and New Mountain Finance Securities. The intent of this Agreement, including this Section 3.3, Section 3.4 and Section 5.2, is to ensure, among other things, that a one-to-one ratio is at all times maintained between (A) the number of Common Membership Units held by New Mountain Finance and the number of shares of New Mountain Finance Common Stock outstanding and (B) the number of Company Interests held by New Mountain Finance of each type or kind issued and the number of corresponding New Mountain Finance Securities (of such type or kind issued) outstanding, and such provisions shall be interpreted consistently with such intent. The Company and New Mountain Finance must take all necessary action in order to maintain the one-to-one ratio if in the future New Mountain Finance determines to issue options or other types of equity compensation to individuals that provide services to the Company, to the extent it is permitted to do so under the Investment Company Act.

(h) Notice. New Mountain Finance shall give written notice thereof to all holders of Units (based on the ledger of ownership of the Company) at least twenty (20) days prior to (i) the date on which New Mountain Finance sets a record date for determining rights in connection with a (x) merger, tender offer, reorganization, recapitalization, reclassification or other change in the capital structure of New Mountain Finance (y) any transaction identified in Section 3.3(e) or (z) any Adjustment Event pursuant to this Section 3.3(d) and (ii) if no such record date is set, the date of such foregoing event.

(i) Transfer. Upon any Transfer permitted under this Agreement, Schedule A shall be revised by the Company to reflect (i) the number, type and kind of Units being Transferred by the Transferring Member, (ii) the number, type and kind of Units Transferred to the transferee and (iii) the remaining number, type and kind of Units held by the Transferring Member.

3.4 Authorization and Issuance of Additional Units. The Company shall only be permitted to issue additional Units or other Equity Interests in the Company to the Persons and on the terms and conditions provided for in Section 3.3, this Section 3.4 and Section 5.2. Except as otherwise provided in this Agreement or as otherwise required by the Investment Company Act, the Board may cause the Company to issue additional Units authorized under this Agreement at such times and upon such terms as the Board shall determine. This Agreement shall be amended as necessary in connection with (a) the issuance of additional Units and Company Interests and (b) the admission of additional Members under this Agreement, each in accordance with the requirements of Section 10.2 of this Agreement.

ARTICLE 4
MANAGEMENT AND OPERATIONS

4.1 Board.

(a) Generally. The business and affairs of the Company shall be managed by or under the direction of a Board of Directors (the "**Board**") consisting of such number of natural persons (each a "**Director**") as shall be determined from time to time by resolution adopted by affirmative vote of a majority of the entire Board; provided, however, that the number of Directors shall not be less than three (3) nor more than fifteen (15). Nominations of persons for election to the Board shall be made by or at the direction of the Board (or any duly authorized committee thereof); provided that the Board shall endeavor to nominate the same slate of director nominees for election by Members as New Mountain Finance nominates for election as directors of New Mountain Finance. Directors need not be Members. Subject to the other provisions of this Article IV, the Board shall have sole discretion to manage and control the business and affairs of the Company, including to delegate to agents, officers and employees of the Company, and to make all decisions affecting the business and affairs of the Company and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company as set forth herein, including, without limitation, to exercise all of the powers of the Company set forth in Section 2.7 of this Agreement. Each person named as a Director herein or subsequently appointed as a Director is hereby designated as a "manager" (within the meaning of the LLC Act) of the Company. Except as otherwise provided in Section 2.1(c) and notwithstanding the last sentence of Section 18-402 of the LLC Act, no single Director may bind the Company, and the Board shall have the power to act only collectively in accordance with the provisions and in the manner specified herein. Each Director shall hold office until the annual meeting for the year in which such Director's term expires and until a successor is appointed in accordance with this Section 4.1 or until the earlier of such Director's death, resignation or removal in accordance with the provisions hereof. Notwithstanding any other provisions of this Agreement or the LLC Act, any action by the Board or the Company or any decision of the Board or the Company to refrain from acting, undertaken in the good faith belief that any such action or omission is necessary or advisable in order to (i) protect the ability of New Mountain Finance to continue to qualify as a Business Development Company and/or a Regulated Investment Company or (ii) prevent New Mountain Finance from incurring any taxes under Section 852, 4982 or any other provision of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Members.

(b) Classified Board. As of the IPO Date, the Directors shall be divided into three classes and designated Class I, Class II, and Class III. The Board may assign Directors

already in office immediately prior to the IPO Date to such classes. The initial term of the Class I Directors shall expire at the first annual meeting of Members to be held after the IPO Date, the initial term of the Class II Directors shall expire at the second annual meeting of Members to be held after the IPO Date, and the initial term of the Class III Directors shall expire at the third annual meeting of Members to be held after the IPO Date. Directors of each class shall hold office until their successors are duly elected and qualified or until such Director's earlier death, resignation or removal. At each annual meeting of Members following the IPO Date, the successors of the class of Directors whose term expires at that meeting shall be elected to hold office for a term expiring at the third succeeding annual meeting of Members after their election. No decrease in the number of Directors constituting the Board shall shorten the term of any incumbent Director.

(c) Current Directors. Subject to the right to increase or decrease the authorized number of Directors pursuant to the first sentence of Section 4.1(a), the Board shall consist of 5 Directors. The Class I Directors shall be Alfred F. Hurley, Jr., the Class II Directors shall be Robert Hamwee and David Ogens and the Class III Directors shall be Steven B. Klinsky and Kurt J. Wolfgruber.

(d) Meetings of the Board. The Board shall meet at such time as determined by a majority of the votes held by all Directors to discuss the business of the Company. The Board may hold meetings either within or without the State of Delaware. The Company and the Board shall give all Directors at least one day's notice of all meetings of the Board.

(e) Quorum and Acts of the Board. At all meetings of the Board, a quorum shall consist of not less than a number of Directors holding a majority of the votes held by all Directors. Except as otherwise expressly required by law or by this Agreement, the act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. Each Director shall be entitled to one vote on each matter that comes before the Board. Any action that may be taken at a meeting of the Board or any committee thereof may also be taken by written consent of Directors holding a majority of the votes held by all Directors or members of the committee holding a majority of the votes held by all members of the committee in lieu of a meeting, other than any action of the Board pursuant to the Investment Company Act that requires the votes of members of the Board to be cast in person at a meeting.

(f) Electronic Communications. Directors, or members of any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting; provided, however, that this Section 4.1(f) does not apply to any action of the Board pursuant to the Investment Company Act that requires the votes of members of the Board to be cast in person at a meeting.

(g) Committees of Directors. The Board may, by resolution passed by a majority of the votes held by all Directors, designate one or more committees. Such resolution shall specify the duties, quorum requirements, number of votes and qualifications of each of the members of such committees, each such committee to consist of such number of Directors as the Board may fix from time to time; provided that the Board shall endeavor to comprise each of its respective committees with the same members as New Mountain Finance's respective

committees. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board. Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

(h) Expenses. The Company shall pay the reasonable out-of-pocket expenses incurred by each Director in connection with performing his duties as a Director, including, without limitation, the reasonable out-of-pocket expenses incurred by such person for attending meetings of the Board or meetings of any board of directors or other similar managing body of any Subsidiary.

(i) Resignation. Any Director may resign at any time by giving written notice to the Company. The resignation of any Director shall take effect upon receipt of such notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation by the Company, the Members or the remaining Directors shall not be necessary to make it effective. Upon the effectiveness of any such resignation, such Director shall cease to be a "manager" (within the meaning of the LLC Act).

(j) Removal of Directors. Any Director may be removed from office at any time, at a meeting called for that purpose, but only for cause (as such

term is used in Section 141(k) of the Delaware General Corporation Law) and only by the affirmative vote of the holders of at least seventy-five percent of the voting power of the Common Membership Units. Upon the taking of such action, the Director shall cease to be a "manager" (within the meaning of the LLC Act). Any vacancy caused by any such removal shall be filled in accordance with Section 4.1(k).

(k) Vacancies. Subject to the applicable requirements of the Investment Company Act, including Section 16 thereof, newly created directorships resulting from any increase in the authorized number of Directors or any vacancies in the Board resulting from death, resignation, disqualification, removal from office or any other cause shall, unless otherwise required by law or provided by resolution of the Board, be filled only by majority vote of the Directors then in office, even if less than a quorum is then in office, or by the sole remaining Director, and shall not be filled by the Members. Directors so chosen to fill a newly created directorship or other vacancies shall serve for a term expiring at the annual meeting of Members at which the term of office of the class to which they have been chosen expires and shall hold office until such Director's successor has been duly elected and qualified or until his or her earlier death, resignation or removal as provided in this Agreement. If any vacancies shall occur in the Board, by reason of death, resignation, disqualification, removal from office or any other cause, the Directors then in office shall continue to act, and actions that would otherwise be required to be taken by a majority of the Directors may be taken by a majority of the Directors

then in office, even if less than a quorum and shall be fully as effective as if taken by a majority of the Directors.

4.2 Information Relating to the Company.

(a) In addition to any information required to be provided pursuant toSection 6.7 or Section 6.10, the Company shall supply to a Member as soon as reasonably practicable after written request therefor any information required to be available to the Members under the LLC Act and any other information reasonably requested by such Member regarding the Company or its activities (including copies of all books and accounts, documents and other information in order to enable such Member to monitor its investment in the Company, exercise its rights under this Agreement and such other information as may be reasonably required to enable such Member to account for its investment in the Company and otherwise comply with the requirements of applicable laws, GAAP, the generally accepted accounting principles or other accounting requirements of any Member and the requirements of any Government Authority), provided that obtaining the information requested is not unduly burdensome to the Company (it being understood that any information necessary for a Member to account for its investment in the Company under the generally accepted accounting principles or other accounting requirements applicable to such Member shall not be deemed unduly burdensome).

(b) During ordinary business hours, each Member and its authorized representative shall have access to all books, records and materials in the Company's offices regarding the Company or its activities.

(c) The Company shall notify a Member if the Company considers any information received pursuant to thisSection 4.2 to be Confidential Information. Any such Confidential Information will be subject to the provisions of Section 10.4 of this Agreement.

4.3 Insurance. The Company shall maintain or cause to be maintained in force at all times, for the protection of the Company and the Members to the extent of their insurable interests, such insurance as the Board believes is warranted for the operations being conducted.

4.4 Officers.

(a) The Board may, from time to time, designate one or more Persons to fill one or more officer positions of the Company pursuant to the Administration Agreement or otherwise. Any officers so designated shall have such titles and authority and perform such duties as the Board may, from time to time, delegate to them. If the title given to a particular officer is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation to such officer of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made to such officer, or restrictions placed thereon, by the Board. Each officer shall hold office until his or her successor is duly designated, until his or her death or until he or she resigns or is removed in the manner hereinafter provided. Any number of offices may be held by the same Person. The salaries or other compensation, if any, of the officers of the Company shall be fixed from time to time by the Board.

(b) Any officer of the Company may resign at any time by giving written notice thereof to the Board. Any officer may be removed, either with or without cause, by the Board whenever in its judgment the best interests of the Company will be served thereby; provided, however, that such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Designation of an officer shall not, by itself, create contract rights.

4.5 Certain Costs, Fees and Expenses. The Company shall pay, or cause to be paid, costs, fees, operating expenses and other expenses of the Company and New Mountain Finance (including, but not limited to, the costs, fees and expenses of attorneys, accountants or other professionals and the compensation of personnel providing services to the Company or New Mountain Finance, any underwriter's discount or other expenses paid or incurred in connection with the issuance of New Mountain Finance Securities and any claims for indemnification or advancement) incurred in pursuing and conducting, or otherwise related to, the business and activities, including intended business and activities, of the Company and New Mountain Finance, including (i) for any acquisitions, financing transactions or any other transactions, whether or not consummated, (ii) pursuant to the Administration Agreement and the Investment Management Agreement and (iii) pursuant to any indemnification agreements that the Company or New Mountain Finance may enter into from time to time.

4.6 Certain Duties and Obligations of the Members. To the fullest extent permitted by law, under no circumstance shall the Members constitute fiduciaries of any other Member or the Company, or owe any fiduciary or other duties or obligations to any other Member or the Company, whether express, implied or otherwise existing (but for this provision) by operation of law or application of legal or equitable principles, and any and all such duties and obligations, and any and all Claims and causes of action which may be based thereon, are hereby expressly waived and relinquished by the Members. Except as otherwise provided in this Agreement, no Member shall have any authority to act for, bind, commit or assume any obligation or responsibility on behalf of the Company, its properties or any other Member.

4.7 Limitation of Liability; Exculpation.

(a) No (i) Director or Member of the Company, nor any of their respective Subsidiaries or Affiliates nor (ii) any of their respective direct or indirect officers, directors, trustees, members, managers, partners, equity holders, employees or agents (each, a "**Representative**"), nor (iii) any of their heirs, executors, successors and assigns, shall be liable to the Company or any Member for any act or omission by such individual or entity in connection with the conduct of affairs of the Company or otherwise incurred in connection with the Company or this Agreement or the matters contemplated herein, in each case unless such act or omission was the result of gross negligence or willful misconduct or constitutes a breach of, or a failure to comply with this Agreement. Except as provided in the LLC Act, the Investment Company Act, this Agreement or as otherwise expressly agreed, in no event shall the Directors (or any former Director), by reason of his or her status as Director (or former Director), have any liability or responsibility for (i) any Indebtedness, duties, Liabilities or any other obligations of the Company, any other Member or former Member or any other Director or former Director, (ii) the repayment of any Capital Contribution of any Member (other than himself) or (iii) any act or omission of any other Member (or former Member) or any other Director (or former Director). To the extent any portion of this Section 4.7 directly conflicts with any of the Transaction

Documents, other than this Agreement, such other Transaction Document shall control with respect to the matters set forth therein.

(b) Notwithstanding any other provision of this Agreement or other applicable provision of law or equity, whenever in this Agreement a Member, Director or officer of the Company is permitted or required to make a decision (i) in its "sole discretion," or under a grant of similar authority or latitude, such Member, Director or officer shall be entitled to consider only such interests and factors as it desires and shall, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Company or the Members, or (ii) in its "good faith" or under another expressed standard, such Member, Director or officer shall act under such express standard and shall not be subject to any other or different standards.

(c) Any Member, Liquidator, Director or officer of the Company may consult with legal counsel and accountants selected by it at its expense or with legal counsel and accountants for the Company at the Company's expense. Each Member, Liquidator, Director and officer of the Company shall be fully protected in relying in good faith upon the records of the Company and upon information, opinions, reports, or statements presented by another Member, Liquidator, Director or officer, or employee of the Company, or committees of the Board, Liquidator or the Company, or by any other Person (including, without limitation, legal counsel and public accountants) as to matters that the Member, Liquidator, Director or officer reasonably believes are within such other Person's professional or expert competence, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, Net Income or Net Losses of the Company, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the Company or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to Members or creditors might properly be paid.

4.8 Indemnification.

(a) Indemnification Rights. Each Person who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that he is or was a Director or officer of the Company or is or was serving at the request of the Company as a director or officer of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, including, without limitation, service with respect to an employee benefit plan (hereinafter, an "**Indemnitee**"), whether the basis of such proceeding is alleged action in an official capacity as a Director or officer or in any other capacity while so serving, shall be indemnified and held harmless by the Company to the full extent permitted by the LLC Act and the Investment Company Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), or by other applicable law as then in effect, against all expense, liability and loss (including, without limitation, attorneys' fees, costs and charges, judgments, fines, excise taxes or penalties under ERISA, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such Indemnitee in

connection therewith; *provided, however*, that except as provided in Section 4.8(c) with respect to proceedings to enforce rights to indemnification and advancement, the Company shall indemnify any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board. Notwithstanding anything to the contrary in this Section 4.8(a) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, the Company shall not indemnify an Indemnitee to the extent such indemnification would violate the Investment Company Act.

(b) Advances for Expenses. Expenses (including, without limitation, attorneys' fees, costs and charges) incurred by an Indemnitee in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of an Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such Indemnitee is not entitled to be indemnified by the Company as authorized in this Section 4.8; *provided, however*, that except as provided in Section 4.8(c) with respect to proceedings to enforce rights to indemnification and advancement, the Company shall advance expenses of any such Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board. The Board may, upon approval of such Indemnitee, authorize the Company's counsel to represent such person in any proceeding, whether or not the Company is a party to such proceeding. Notwithstanding anything to the contrary in this Section 4.8(b) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, the Company shall not advance an Indemnitee any expenses to the extent such advancement would violate the Investment Company Act.

(c) Procedure for Indemnification and Advancement. Any indemnification or advance of expenses (including, without limitation, attorney's fees, costs and charges) under this Section 4.8 shall be made promptly, and in any event within sixty (60) days, or, in the case of a claim for an advancement of expenses, within twenty (20) days, upon the written request of an Indemnitee (and, in the case of advance of expenses, receipt of a written undertaking by or on behalf of such Indemnitee to repay such amount if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified therefor pursuant to the terms of this Section 4.8). The right to indemnification or advances as granted by this Section 4.8 shall be enforceable by such Indemnitee in any court of competent jurisdiction, if the Company denies such request, in whole or in part, or if no disposition thereof is made within sixty (60) days (or twenty (20) days with respect to advancement of expenses). To the full extent permitted by law, such Indemnitee's costs and expenses incurred in connection with successfully establishing his or her right to indemnification or advancement, in whole or in part, in any such action shall also be indemnified by the Company. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses (including, without limitation, attorney's fees, costs and charges) under this Section 4.8 where the required undertaking, if any, has been received by the Company) that the claimant has not met the standard of conduct set forth in the LLC Act, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), but the burden of proving such defense shall be on the Company. Neither the

failure of the Company (including its Directors who are not parties to such action, a committee of such Directors, independent legal counsel or the Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the LLC Act, as the same exists or hereafter may be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than said law permitted the Company to provide prior to such amendment), nor the fact that there has been an actual determination by the Company (including its Directors who are not parties to such action, a committee of such Directors, independent legal counsel or the Members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. Notwithstanding anything to the contrary in this Section 4.8(c) or any other provision of this Agreement, for so long as the Company is subject to the Investment Company Act, any advancement of expenses pursuant to this Section 4.8 shall be subject to at least one of the following as a condition of the advancement: (a) the Indemnitee shall provide a security for his or her undertaking, (b) the Company shall be insured against losses arising by reason of any lawful advances or (c) (i) a majority of Directors of the Company who are and were not a party to the proceeding in respect of which advancement or indemnification is being sought or (ii) Independent Counsel (as defined below), in a written opinion, shall determine based on a review of readily available facts (as opposed to a full-trial-type inquiry), that there is reason to believe that the Indemnitee ultimately will be found entitled to indemnification.

For purposes of the paragraph above, "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to or witness in the proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any

person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine such Indemnitee's rights hereunder.

(d) Other Rights; Continuation of Right to Indemnification. The indemnification and advancement of expenses provided by this Section 4.8 shall not be deemed exclusive of any other rights to which a Person seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement, vote of Members or Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Company, and shall continue as to a person who has ceased to be a Director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification or advancement under this Section 4.8 shall be deemed to be a contract between the Company and each Indemnitee. Any repeal or modification of this Section 4.8 or any repeal or modification of relevant provisions of the LLC Act or any other applicable laws shall not in any way diminish any rights to indemnification of such Indemnitee or the obligations of the Company arising hereunder with respect to any proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such repeal or modification.

(e) Assets of the Company. Any indemnification under this Section 4.8 shall be satisfied solely out of the assets of the Company, and no Member shall be subject to personal liability or required to fund or cause to be funded any obligation by reason of these indemnification provisions.

(f) Insurance. The Company shall have power to purchase and maintain insurance on behalf of any Person who is or was or has agreed to become a Director or officer of the Company, or is or was serving at the request of the Company as a director or officer of another corporation, partnership, limited liability company, joint venture, trust or other enterprise (including, without limitation, with respect to an employee benefit plan), against any liability asserted against the Person and incurred by the Person or on the Person's behalf in any such capacity, or arising out of the Person's status as such, whether or not the Company would have the power to indemnify the Person against such liability under the provisions of this Section 4.8 or the LLC Act; *provided, however*, that such insurance is available on acceptable terms, which determination shall be made by a vote of a majority of the Board.

(g) Indemnification of Employees and Agents of the Company. The Company may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Company to the full extent of the provisions of this Section 4.8 with respect to the indemnification and advancement of expenses of Directors and officers of the Company.

(h) Savings Clause. If this Section 4.8 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless provide indemnification and advancement to each Indemnitee entitled to such indemnification and advancement pursuant to Sections 4.8(a) and (b) to the full extent permitted by any applicable portion of this Section 4.8 that shall not have been invalidated and to the full extent permitted by applicable law.

4.9 Title to Assets; Liens. Unless specifically licensed or leased to the Company, title to the assets of the Company, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Members, individually or collectively, shall have any ownership interest in such assets or any portion thereof or any right of partition. The Company shall be permitted to create, incur, assume or permit to exist Liens on any assets (including Equity Interests or other securities of any Person, including any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof.

4.10 New Mountain Finance Conduct of Business Only Through the Company. Except as provided in this Agreement, or as may be otherwise provided in any written agreement by and among the Members, New Mountain Finance shall not directly or indirectly engage in or conduct any business or venture (whether or not operated through a separate legal entity or as part of a larger corporation or other entity), other than (i) any business or venture that is held in, or conducted through, the Company or (ii) any business or venture entered into in connection with (x) the acquisition, ownership or disposition of its Common Membership Units, (y) New Mountain Finance's operation as a public reporting company with a class of securities registered under the Exchange Act and (z) such other activities that are incidental to the foregoing. The

requirements of this Section 4.10 shall apply to New Mountain Finance so long as New Mountain Finance, including any successor, is a Member of the Company.

4.11 Credit Agreement Covenants. (a) So long as the Credit Agreement shall remain in effect, the Company shall comply with the covenants listed on Schedule B hereto; provided, however, if compliance with any of the covenants, representations or warranties in the Credit Agreement are waived pursuant to the terms of the Credit Agreement, compliance with the analogous covenant listed on Schedule B shall likewise be waived as specified in the Credit Agreement waiver.

(b) In the event the Credit Agreement is terminated or expires by its terms, the provisions of this Section 4.12 shall be deemed deleted and shall have no further force or effect, and the Company shall no longer be required to comply therewith.

(c) The Board may amend Schedule B from time to time by resolution adopted by affirmative vote of a majority of the entire Board solely to conform in substance the provisions of Schedule B to the Credit Agreement.

ARTICLE 5
CAPITAL CONTRIBUTIONS; DISTRIBUTIONS

5.1 Capital Contributions.

(a) Except as set forth in this Agreement or any other Transaction Document, no Member shall be required or permitted to make any other capital contribution to, or provide credit support for, the Company.

(b) No Member shall be entitled to withdraw, or demand the return of, any part of its Capital Contributions or Capital Account. No Member shall be entitled to interest on or with respect to any Capital Contribution or Capital Account.

(c) Except as otherwise provided in this Agreement, no Person shall have any preemptive, preferential or similar right to subscribe for or to acquire any Units.

5.2 Contribution of Proceeds of Issuance of Securities by New Mountain Finance.

(a) (i) On the date of the completion of the Initial Public Offering and the Concurrent Offering, New Mountain Finance shall contribute to the Company the gross proceeds of the Initial Public Offering and the Concurrent Offering in exchange for Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance in the Initial Public Offering and the Concurrent Offering; (ii) in the event the Underwriters of the Initial Public Offering exercise the Over-Allotment Option, New Mountain Finance shall contribute to the Company the gross proceeds received upon the exercise of the Over-Allotment Option in exchange for Common Membership Units equal to the number of shares of New Mountain Finance Common Stock sold by New Mountain Finance pursuant to the Over-Allotment Option; and (iii) in connection with any other New Mountain Finance Stock Offering, New Mountain Finance shall contribute to the Company

any gross proceeds raised in

connection with such issuance in exchange for Common Membership Units or Company Interests pursuant to Section 3.3(e)(i).

(b) If the Company issues Common Membership Units or other Company Interests to New Mountain Finance pursuant to Section 3.3(e)(i) other than in connection with a New Mountain Finance Stock Offering, New Mountain Finance shall contribute to the Company (i) the proceeds, if any and as determined in the reasonable judgment of the Board, whether in cash or other property, received by New Mountain Finance with respect to the issuance of New Mountain Finance Securities no later than the close of business on the Business Day following the receipt of any such proceeds by New Mountain Finance and (ii) any reinvested distributions, if any and as determined in the reasonable judgment of the Board, whether in cash or other property, received by New Mountain Finance pursuant to the Dividend Reinvestment Plan no later than the close of business on the Business Day following the dividend payment date associated with such distributions by New Mountain Finance.

5.3 Loans from Members. Loans by Members to the Company shall not be considered contributions to the capital of the Company hereunder. If any Member shall advance funds to the Company in excess of the amounts required to be contributed to the capital of the Company, the making of such advances shall not result in any increase in the amount of the Capital Account of such Member and shall be payable or collectible in accordance with the terms and conditions upon which advances are made; provided that the terms of any such loan shall not be less favorable to the Company, taken as a whole, than would be available to the Company from unrelated lenders and such loan shall be approved by the Board.

5.4 Loans from Third Parties. The Company and its Subsidiaries may incur Indebtedness, or enter into other similar credit, guarantee, surety, financing or refinancing arrangements for any purpose with any Person upon such terms as the Board determines appropriate, including to guarantee or provide other credit support arrangements for the benefit of its Subsidiaries or New Mountain Finance; provided that neither the Company nor any of its Subsidiaries shall incur any Indebtedness that is recourse to any Member, except to the extent otherwise agreed to in writing by the applicable Member in its sole discretion.

5.5 Distributions. All distributions made by the Company shall be made in accordance with this Section 5.5.

(a) Distributions of cash from the Company shall be made by the Board, in its sole discretion, at such times as the Board shall determine from time to time, to the Members holding Common Membership Units, pro rata in accordance with their Percentage Interests. It is intended that distributions made by the Company will be made in such amounts as shall enable New Mountain Finance to pay quarterly distributions to its stockholders and to obtain and maintain its status as a Regulated Investment Company. The Board shall make such reasonable efforts, as determined by it in its sole discretion and consistent with New Mountain Finance's qualification as a Regulated Investment Company, to cause the Company to distribute sufficient amounts to enable New Mountain Finance, for so long as New Mountain Finance has determined to qualify as a Regulated Investment Company, to pay stockholder dividends that will allow New Mountain Finance to (a) satisfy the requirements for New Mountain Finance's qualification as a Regulated Investment Company under the Code and Regulations and (b) except to the extent

otherwise consented to in writing by New Mountain Finance, avoid any federal income or excise tax imposed on New Mountain Finance under the Code.

(b) Liquidating Distributions. All distributions to the Members made in connection with the sale, exchange or other disposition of all or substantially all of the Company's assets, or with respect to the winding up and liquidation of the Company, shall be made among the Members holding Common Membership Units pro rata in accordance with their respective positive Capital Account balances. Any in-kind distribution of assets of the Company in connection with a winding up and liquidation of the Company or a deemed liquidation of the Company by reason of a termination of the Company pursuant to Section 708(b)(1)(A) of the Code will be made among the Members holding Common Membership Units pro rata on a gross basis with respect to each such asset in accordance with the Members' respective positive Capital Account balances.

(c) Limitations on Distributions. Notwithstanding anything in this Agreement to the contrary, no distribution shall be made in violation of the LLC Act.

(d) Exculpation. The Members hereby consent and agree that, to the fullest extent permitted by applicable law, (i) no Member shall have any obligation to return amounts distributed to such Member by the Company notwithstanding the fact that such amounts were distributed in violation of Section 18-607 or Section 18-804 of the LLC Act or other applicable law and (ii) the provisions of this Section 5.5(d) are intended to be a compromise under Section 18-502(b) of the LLC Act.

5.6 Revisions to Reflect Issuance of Additional Units. Subject to Section 10.2, in the event that the Company issues an additional class of Units other than Common Membership Units pursuant to Article 3 of this Agreement, the Board shall make such revisions to this Agreement, including this Article 5, as it reasonably deems necessary to reflect the issuance of such additional Units.

ARTICLE 6
BOOKS AND RECORDS; TAX; CAPITAL ACCOUNTS; ALLOCATIONS

6.1 General Accounting Matters.

(a) The Board shall keep, or cause to be kept, books and records pertaining to the Company's business showing all of its assets and liabilities, receipts and disbursements, Net Income and Net Losses, Members' Capital Accounts and all transactions entered into by the Company. Such books and records of the Company shall be kept at the office of the Company or at the office of a party authorized by an officer of the Company to keep such books and records, and, subject to the confidentiality provisions of this Agreement, the Members and their representatives shall at all reasonable times have free access thereto for the purpose of inspecting or copying the same.

(b) The Company's books of account shall be kept on an accrual basis in accordance with GAAP or as otherwise provided by the Board, except that for U.S. federal, state and local income tax purposes such books shall be kept in accordance with applicable tax accounting principles.

6.2 Capital Accounts.

(a) The Company shall maintain for each Member on the books of the Company a capital account (a "**Capital Account**"). Each Member's Capital Account shall be maintained in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv) and the provisions of this Agreement.

(b) (i) The Capital Account of each Member shall be credited with the amount of all Capital Contributions by such Member to the Company.

The Capital Account of each Member shall be increased by (1) the amount of any Net Income (or items of gross income or gain) allocated to such Member pursuant to this Article 6 and (2) the amount of any liabilities of the Company that are assumed by such Member (except for liabilities described in Section 6.2(b)(ii)(3) that are assumed by such Member) for purposes of Treasury Regulations section 1.704-1(b)(2)(iv)(c).

(ii) The Capital Account of each Member shall be decreased by (1) the amount of any Net Losses (or items of loss or deduction) allocated to such Member pursuant to this Article 6, (2) the amount of any cash distributed to such Member, (3) the fair market value of any asset distributed in kind to such Member (net of all liabilities that such Member is considered to assume or take the asset subject to) and (4) the amount of any liabilities of such Member that are assumed by the Company (except for liabilities described in the definition of Capital Contribution that are assumed by the Company) for purposes of Treasury regulations section 1.704-1(b)(2)(iv)(c).

(iii) The Capital Account of each Member also shall be adjusted appropriately to reflect any other adjustment required pursuant to Treasury Regulations Section 1.704-1 or 1.704-2.

(c) Allocations of Net Income or Net Losses to the Capital Accounts pursuant to Section 6.2(b) shall be made at the end of each Fiscal Quarter, at such times as the Carrying Value of Company assets is adjusted pursuant to the definition thereof and at such other times as required by this Agreement. Net Income and Net Losses shall be allocated to the Members pro-rata in accordance with their respective Percentage Interests. An allocation to a Member of a share of Net Profit or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Profit or Net Loss. It is the intent of the Members that the allocations of Net Income or Net Losses under this Agreement have substantial economic effect (or be consistent with the Members' interests in the Company) within the meaning of Section 704(b) of the Code as interpreted by the Treasury regulations promulgated thereto. Article 6 and other relevant provisions of this Agreement shall be interpreted in a manner consistent with such intent.

(d) In the event that any Unit or Interest in the Company is Transferred, including the Transfer of Common Membership Units from Guardian Partners to New Mountain Finance, the Transfer of Common Membership Units from Guardian AIV to AIV Holdings and the Transfer of Common Membership Units from AIV Holdings to New Mountain Finance pursuant to Section 7.4 or Article 9 hereof, (i) the transferee of such Unit or Interest shall succeed to the pro rata portion of the transferor's Capital Account attributable to such Unit or Interest, and (ii) Net Income or Net Losses allocable among the Members during the fiscal year

of the Company in which such Transfer occurs shall be allocated between the transferor and the transferee Member either (x) as if the Company's fiscal year had ended on the date of the transfer, or (y) based on the number of days of such fiscal year that each was a Member without regard to the results of Company activities in the respective portions of such fiscal year in which the transferor and the transferee were Members, as determined by the Board.

6.3 Allocations of Net Income and Net Losses for U.S. Federal Income Tax Purposes

(a) Except as otherwise provided in Section 6.3(b), for U.S. federal income tax purposes, each item of income, gain, loss, deduction and credit of the Company for each taxable year of the Company shall be allocated among the Members in the same manner as its corresponding item of "book" income, gain, loss, deduction and credit is allocated pursuant to Section 6.2(c).

(b) In accordance with Sections 704(b) and 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss and deduction with respect to any Company asset contributed (or deemed contributed) to the capital of the Company shall, solely for U.S. federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted basis of such Company asset for U.S. federal income tax purposes and its Carrying Value upon its contribution (or deemed contribution). If the Carrying Value of any Company asset is adjusted, subsequent allocations of taxable income, gain, loss and deduction with respect to such Company asset shall take account of any variation between the adjusted basis of such Company asset for U.S. federal income tax purposes and the Carrying Value of such Company asset in the manner prescribed under Sections 704(b) and 704(c) of the Code and the Treasury Regulations thereunder. The Board shall select the manner by which variations between Carrying Value and adjusted basis of the Company's assets are taken into account in accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations thereunder.

6.4 Excess Nonrecourse Liabilities. If the built-in gain in Company assets subject to Nonrecourse Debts exceeds the gain described in Treasury Regulations Section 1.752-3(a)(2), the Excess Nonrecourse Liabilities shall be allocated (i) first, to AIV Holdings up to the amount of built-in gain that is allocable to AIV Holdings on Section 704(c) Property, (ii) second, among the Members other than AIV Holdings up to the amount of built-in gain that is allocable to such other Members on Section 704(c) Property and (iii) last, any remaining Excess Nonrecourse Liabilities shall be allocated among the Members pro rata in accordance with their relative Percentage Interests.

6.5 Revisions to Allocations to Reflect Issuance. In the event that the Company issues additional classes of Units to the Members pursuant to Article 3 of this Agreement, the Board shall, subject to Section 10.2, make such revisions to this Article 6 as it reasonably deems necessary to reflect the terms of the issuance of such additional class of Units, including making preferential allocations to classes of Units that are entitled thereto.

6.6 Payments of Certain Expenses. If and to the extent that payments of certain expenses by the Company constitute gross income of New Mountain Finance by reason of being treated as payments of expenses of New Mountain Finance, such amounts will constitute

guaranteed payments within the meaning of Section 707(c) of the Code, will be treated consistently therewith by the Company and all Members, and will not be treated as distributions for purposes of computing the Members' Capital Accounts.

6.7 Certain Tax Matters.

(a) The "tax matters partner" for purposes of Section 6231(a)(7) of the Code shall be New Mountain Finance (the "**Tax Matters Member**"). The Tax Matters Member shall have all the rights, duties, powers and obligations provided for in Sections 6221 through 6232 of the Code with respect to the Company. The Tax Matters Member shall inform each other Member of all significant matters that may come to its attention in its capacity as such by giving notice thereof within ten (10) days after becoming aware thereof and, within such time, shall forward to each other Member copies of all significant written communications it may receive in such capacity. This provision is not intended to authorize the Tax Matters Member to take any action left to the determination of an individual Member under Sections 6222 through 6231 of the Code.

(b) The Tax Matters Member shall not initiate any action or proceeding in any court, extend any statute of limitations, or take any other action in its capacity as Tax Matters Member, which it knows, has reason to know, or would reasonably be expected to know, would or would reasonably be expected to have a significant adverse effect on AIV Holdings, as a Member of the Company, Guardian AIV or Guardian AIV's partners, without approval of the AIV Holdings Member, which approval may not be unreasonably withheld; provided, however, that, for this purpose, it shall not be unreasonable for the AIV Holdings Member to withhold such approval if the action proposed to be taken could significantly adversely effect such Member, Guardian AIV or Guardian AIV's partners. The AIV Holdings Member may alert the Tax Matters Member as to any actions that would have a significant adverse effect on AIV Holdings, Guardian AIV or Guardian AIV's partners.

(c) The Board shall timely cause to be prepared all U.S. federal, state, local and foreign tax returns and reports (including amended returns) of the Company and its Subsidiaries for each year or period that such returns or reports are required to be filed and, subject to the remainder of this subsection, shall cause such tax returns to be timely filed. No later than thirty (30) days prior to filing of all income and franchise tax returns of the Company, the Board shall have provided copies of all such tax returns to the other Members for review. The AIV Holdings Members shall be entitled to provide reasonable comments on such returns to the Board no later than fifteen (15) days after receiving copies of such returns, and the Board shall consider in good faith all such comments. If the Board does not incorporate any comment made by any AIV Holdings Member in accordance with the foregoing sentence, at the request of such AIV Holdings Member the Board shall provide any information necessary for such AIV Holdings Member to properly file its U.S. federal, state, local, and foreign tax returns and reports (including amended returns and information returns) and any disclosure required in connection with the filing of such returns or reports in a manner consistent with such comment.

(d) Within ninety (90) days after the end of each Fiscal Year, or as soon as reasonably practical thereafter, the Board shall prepare and send, or cause to be prepared and sent, to each Person who was a Member at any time during such Fiscal Year copies of such information as may be required for U.S. federal, state, local and foreign income tax reporting

purposes, including copies of Form 1065 and Schedule K-1 or any successor form or schedule, for such Person. At any time after such information has been provided, upon at least five (5) business days' notice from a Member, the Board shall also provide each Member with a reasonable opportunity during ordinary business hours to review and make copies of all workpapers related to such information or to any return prepared under paragraph (c) above. As soon as practicable following the end of each quarter (and in any event not later than thirty (30) days after the end of such quarter), the Board shall also cause to be provided to each Member an estimate of each Member's share of all items of income, gain, loss, deduction and credit of the Company for the quarter just completed and for the Fiscal Year to date for federal income tax purposes.

(e) The Company intends to be treated as a partnership for U.S. federal, state and local income tax purposes for so long as the Company has more than one Member and intends to be treated as a disregarded entity for such purposes for so long as the Company has a single Member, and the Company shall not take any action or make any election so as to cause the Company to fail to be treated as a partnership or a disregarded entity (as applicable) for U.S. federal, state and local income tax purposes unless such action or election shall have been approved by the Board.

(f) The Company shall elect, pursuant to Section 754 of the Code, to adjust the basis of the Company's property, with respect to its U.S. federal income tax return for the taxable year in which the Guardian Partners Merger occurs and any taxable year following a termination of the Company pursuant to Section 708(b)(1)(B) of the Code, and the Company shall cause such election to remain or be in effect for every taxable year of the Company thereafter during which the Company is treated as a partnership for U.S. federal income tax purposes. The Company shall make such election with respect to all Subsidiaries of the Company that are treated as partnerships for U.S. federal income tax purposes in the same year the Company makes such election and if any Subsidiary of the Company is treated as a partnership for U.S. federal income tax purposes in a subsequent taxable year, the Company shall cause such election to be made in such year.

(g) Except as otherwise provided herein, all other elections required or permitted to be made by the Company under the Code (or applicable foreign, state or local law), including elections with respect to any subsidiary of the Company, shall be made as may be determined by the Board and all decisions and positions taken with respect to the Company's or any Subsidiary's taxable income or tax loss (or items thereof) under the Code or other applicable tax law shall be made in such manner as may be reasonably determined by the Board. Notwithstanding the foregoing, the Board shall not make any other election for U.S. federal, state or local income tax purposes or for franchise tax purposes and shall not make any decision or take any position with respect to allocations of taxable income, if the Board knows or has reason to know, or would reasonably be expected to know that such election, decision, or position would, or would reasonably be expected to adversely affect New Mountain Finance's status as a Regulated Investment Company or have a significant adverse effect on AIV Holdings, Guardian AIV or its partners and a greater negative impact proportionally on the amount of taxable inclusions incurred by AIV Holdings with respect to income allocated to it by the Company than if such election, decision, or position had not been made or taken. The AIV Holdings Member

may alert the Board as to any election, decision, or position that would have a significant adverse effect on AIV Holdings, Guardian AIV or its partners.

6.8 **Tax Year**. The taxable year of the Company shall be the same as its Fiscal Year.

6.9 **Withholding Requirements**. Notwithstanding any provision herein to the contrary, the Board is authorized to take any and all actions that it determines to be necessary or appropriate to ensure that the Company satisfies any and all withholding and tax payment obligations under Sections 1441, 1445, 1446 or any other provision of the Code or other applicable law. Without limiting the generality of the foregoing, the Board may withhold from distributions the amount that it determines is required to be withheld from the amount otherwise distributable to any Member pursuant to Article 5; provided, however, that such amount shall be deemed to have been distributed to such Member for purposes of applying Article 5 and this Article 6. The Board will not withhold any amounts from cash or other property distributable to any Member to satisfy any withholding and tax payment obligations to the extent that such Member demonstrates to the Board's satisfaction that such Member is not subject to such withholding and tax payment obligation. In the event that the Board withholds or incurred tax in respect of any Member for any period in excess of the amount of cash or other property otherwise distributable to such Member for such period (or there is a determination by any taxing authority that the Company should have withheld or incurred any tax for any period in excess of the tax, if any, that it actually withheld or paid for such period), such excess amount (or such additional amount) shall be treated as a recourse loan to such Member that shall bear interest at the rate of 10% per annum and be payable on demand.

6.10 **Reports to Members**.

(a) The books of account and records of the Company shall be audited as of the end of each Fiscal Year by the Company's independent public accountants.

(b) Within one (1) calendar day after the applicable due date for the filing of New Mountain Finance's quarterly reports for the end of each Fiscal Quarter of New Mountain Finance with the Commission (or the next Business Day if the first calendar day is not a Business Day), the Company shall send to each Person who was a Member during such period an unaudited report setting forth the following as of the end of such Fiscal Quarter, but the Company shall only be required to provide such information to such Members as make a request for it in writing:

(i) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited balance sheet as of the end of such period;

(ii) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited income statement of the Company for such period;

(iii) unless such Fiscal Quarter is the last Fiscal Quarter of the Fiscal Year, an unaudited cash flow statement of the Company for such period; and

(iv) a statement of each Member's Capital Account.

(c) Within one (1) calendar day after the applicable due date for the filing of New Mountain Finance's annual report for the end of each Fiscal Year of New Mountain Finance with the Commission (or the next Business Day if the first calendar day is not a Business Day), the Company shall send to each Person who was a Member during such period an audited report setting forth the following as of the end of such Fiscal Year, but the Company shall only be required to provide such information to such Members as make a request for it in writing:

(i) an audited balance sheet as of the end of such Fiscal Year;

(ii) an audited income statement of the Company for such Fiscal Year;

(iii) an audited cash flow statement of the Company for such Fiscal Year; and

(iv) a statement of each Member's Capital Account.

(d) The Company shall provide each Member with monthly "flash reports."

(e) The Company shall provide each Member annually with a copy of the Budget.

(f) With reasonable promptness, the Board will deliver such other information available to the Board, including financial statements and computations, as any Member may from time to time reasonably request in order to comply with regulatory requirements, including reporting requirements, to which such Member is subject.

(g) The Board shall not be deemed to be in breach of this Section 6.10 for failure to deliver the reports and other information under clause (b) or (c) of this Section 6.10, if the Board delivers such information to each Member on the earlier of (i) the date such information is provided to the lenders or the holders of any indebtedness of the Company or filed with the Commission and (ii) a date that is within thirty (30) calendar days of the due date set forth in clause (b) or (c) above.

6.11 **Auditors**. The independent registered public accountant of the Company shall be determined by the Board, in its sole discretion.

ARTICLE 7
DISSOLUTION

7.1 **Dissolution**.

(a) The Company shall be dissolved and subsequently terminated upon the occurrence of the first of the following events:

(i) the act of the Board to dissolve the Company;

(ii) the entry of a decree of judicial dissolution of the Company pursuant to § 18-802 of the LLC Act; or

(iii) the termination of the legal existence of the last remaining Member or the occurrence of any other event that causes the last remaining Member to cease to be a Member of the Company, unless the Company is continued without dissolution pursuant to Section 7.1(b).

(b) Upon the occurrence of any event that causes the last remaining Member of the Company to cease to be a Member of the Company (other than upon continuation of the Company without dissolution upon an assignment by the Member of all of its Interest in the Company and the admission of the transferee as a Member pursuant to Section 8.2), to the fullest extent permitted by law, the personal representative of such Member is hereby authorized to, within ninety (90) days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of such Member in the Company.

(c) Notwithstanding any other provision of this Agreement, the bankruptcy (as defined in §§ 18-101(1) and 18-304 of the LLC Act) of a Member shall not cause the Member to cease to be a Member of the Company and, upon the occurrence of such an event, the Company shall continue without dissolution.

7.2 **Winding-Up**. When the Company is dissolved, the business and property of the Company shall be wound up in an orderly manner by the Board or by a liquidating trustee as may be appointed by the Board (the Board or such liquidating trustee, as the case may be, the "**Liquidator**"). In the event of dissolution, the Company shall not take any action that is inconsistent with, or not necessary to or appropriate for, the winding-up of the Company's business and affairs.

7.3 **Final Distribution**.

(a) As soon as reasonable following the event that caused the dissolution of the Company, the assets of the Company shall be applied in the following manner and order:

(i) to pay the expenses of the winding-up, liquidation and dissolution of the Company, and all creditors of the Company, including Members who are creditors of the Company, either by actual payment or by making a reasonable provision therefor, in the manner, and in the order of priority, set forth in § 18-804 of the LLC Act;

(ii) to distribute the remaining assets of the Company to the Members in accordance with Section 5.5 (b).

(b) If any Member has a deficit balance in its Capital Account in excess of any unpaid Capital Contributions (if any), such Member shall have no obligation to make any Capital Contribution to the Company with respect to such deficit, and such deficit shall not be considered a debt owed to the Company or to any other Person for any purpose whatsoever.

(c) Each Member shall look solely to the assets of the Company for the amounts distributable to it hereunder and shall have no right or power to demand or receive property therefor from any Director or any other Member.

(d) The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed to the Members in the manner provided for in this Agreement and (ii) the Certificate shall have been canceled in the manner required by the LLC Act.

7.4 Exchange Right Upon Dissolution.

(a) Upon the occurrence of an event described in Section 7.1(a), if (i) New Mountain Finance is not the sole Member at the time of such event and (ii) prior to or concurrent with the occurrence of such event, New Mountain Finance has adopted a plan relating to the liquidation or dissolution of New Mountain Finance, then New Mountain Finance shall have the right to acquire from any Non-NMF Member all (but not less than all) of the Common Membership Units held by such Non-NMF Member in exchange for shares of New Mountain Finance Common Stock on a one-for-one basis (the "**Dissolution Exchange Right**"). If New Mountain Finance desires to exercise its Dissolution Exchange Right with respect to a Non-NMF Member, it shall exercise such right by giving written notice (the "**Dissolution Exchange Notice**") to such Non-NMF Member (the "**Dissolution Exchanging Non-NMF Member**") with a copy to the Company. The Dissolution Exchange Notice shall specify a date, which is to be as soon as reasonable following the occurrence of the event triggering the Dissolution Exchange Right, but in any event shall be prior to commencement of application of the assets of the Company pursuant to Section 7.3(a)(ii), on which the exercise of the Dissolution Exchange Right shall be completed (the '**Dissolution Exchange Date**").

(b) On the Dissolution Exchange Date:

(1) the Dissolution Exchanging Non-NMF Member shall (A) transfer and surrender to New Mountain Finance all of its Common Membership Units, (B) represent and warrant to New Mountain Finance that such Common Membership Units are owned by such Member free and clear of all liens and encumbrances and (C) deliver to New Mountain Finance all transfer tax stamps or funds therefor, if required pursuant to Section 9.1(e);

(2) the Company shall revise Schedule A to reflect the Transfer of the Common Membership Units pursuant to thisSection 7.4 and number of Common Membership Units held by New Mountain Finance following the Dissolution Exchange Date and to remove such Dissolution Exchanging Non-NMF Member; and

(3) New Mountain Finance shall issue the number of shares of New Mountain Finance Common Stock equal to the number of Common Membership Units being exchanged by such Dissolution Exchanging Non-NMF Member pursuant to the Dissolution Exchange Right and shall represent and warrant to such Dissolution Exchanging Non-NMF Member that such shares are validly issued, fully paid and non-assessable; and, if the New Mountain Finance Common Stock is certificated, New Mountain Finance shall deliver or cause to be delivered at the office of New Mountain Finance's transfer agent a certificate or certificates

representing such number of shares of New Mountain Finance Common Stock issued in the name of such Dissolution Exchanging Non-NMF Member.

An exchange pursuant to this Section 7.4 shall be deemed to have been effected immediately prior to the close of business on the Dissolution Exchange Date. The Person or Persons in whose name or names the shares of New Mountain Finance Common Stock are to be recorded shall be treated for all purposes as having become the record holder or holders of such shares of New Mountain Finance Common Stock immediately prior to the close of business on the Dissolution Exchange Date, and may sell such shares of New Mountain Finance Common Stock as permitted under applicable law.

Each Dissolution Exchanging Non-NMF Member, the Company and New Mountain Finance shall, for U.S. federal, state and local income tax purposes, treat the exchange as a taxable sale of such Dissolution Exchanging Non-NMF Member's Common Membership Units to New Mountain Finance, except as otherwise required pursuant to a "determination" within the meaning of Section 1313 of the Code. Each Dissolution Exchanging Non-NMF Member agrees to execute such instruments of transfer, officer's or other certificates or cross receipts to the extent necessary to evidence the exchange of its Common Membership Units and as New Mountain Finance may reasonably require in connection with the issuance of shares of New Mountain Finance Common Stock in exchange for such Member's Common Membership Units.

ARTICLE 8
TRANSFER; SUBSTITUTION; ADJUSTMENTS

8.1 Restrictions on Transfer.

(a) No Member may Transfer all or any portion of its Units or other Company Interests except with the written consent of the Board in its sole discretion; provided, however, that subject to Section 8.1(b), a Member may, without the consent of the Board, at any time Transfer any of such Member's Units or other Equity Interests to a Permitted Transferee of such Member. It is a condition to any Transfer by a Member (the "**Transferring Member**") otherwise permitted hereunder that the transferee (i) agrees to become a party to, and be bound by the terms of, this Agreement to the same extent as the Transferring Member and (ii) assumes by operation of law or express agreement all of the obligations of the Transferring Member under this Agreement or any other agreement to which such Transferring Member is a party with respect to such Transferred Units or other Company Interests. Any transferee, whether or not admitted as a Member, shall take subject to the obligations of the transferor hereunder.

(b) In addition to any other restrictions on Transfer herein contained, including, without limitation, the provisions of thisArticle 8, any purported Transfer or assignment of a Unit or other Company Interests by any Member in the following circumstances shall be void *ab initio* (unless in the case of clause (v) below only, the consent of the Board is obtained):

(i) to any Person who lacks the legal right, power or capacity to own Units or other Company Interests;

(ii) if such Transfer would cause the Company to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(c) of the Code);

(iii) if such Transfer would, in the opinion of counsel to the Company, cause any portion of the assets of the Company to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101;

(iv) if such Transfer requires the registration of such Units or other Company Interests pursuant to any applicable federal, state or foreign securities laws or regulations or would otherwise materially violate any federal, state or foreign securities laws or regulations applicable to the Company, the Units or such Company Interests;

(v) if such Transfer (in and by itself) subjects the Company to be regulated under the Investment Company Act, the Investment Advisers Act of 1940 or ERISA, each as amended;

(vi) if such Transfer would cause the Company to fail the limitation set forth inSection 3.1(d) or would otherwise result in a risk that the Company would be treated as a "publicly traded partnership," as such term is defined in Section 469(k)(2) or 7704(b) of the Code;

(vii) if such Transfer violates any applicable laws in any material respect;

(viii) if the Company does not receive written instruments (including, without limitation, copies of any instruments of Transfer and such assignee's agreement to be bound by this Agreement as an assignee and Member) that are in a form satisfactory to the Board (in its sole discretion); or

(ix) to any Prohibited Person.

8.2 Substituted Members.

(a) No Member shall have the right to substitute a transferee as a Member in his or her place with respect to any Units or other Equity Interests in the Company so Transferred (including any transferee permitted by Section 8.1) unless (i) such Transfer is made in compliance with the terms of this Agreement and any other agreements with the Company to which such transferor Member is a party and (ii) such transferee assumes and agrees to be bound, by written instrument satisfactory to the Board pursuant to Section 8.l(b)(viii), all the rights, powers, restrictions, duties and liabilities that were applicable to the transferor by virtue of the transferor's ownership of the Units or other Equity Interests in the Company being Transferred.

(b) Except as provided in Section 8.2(c) and otherwise in this Agreement, a transferee who has been admitted as a Member in accordance with Section 8.2(a) shall have all

the rights and powers and be subject to all the restrictions, duties and liabilities of a Member under this Agreement holding the same Units or other Equity Interests in the Company. The admission of any transferee as a Member shall be subject to the provisions of Section 3.1.

8.3 Effect of Void Transfers. No Transfer of any Units or other Equity Interests owned by a Member in violation hereof shall be made or recorded on the books of the Company, and any such purported Transfer shall be void and of no effect.

ARTICLE 9
EXCHANGE RIGHT OF NON-NMF MEMBERS

9.1 Exchange Right of Non-NMF Members.

(a) Exchange Right. Any Non-NMF Member shall be entitled at any time and from time to time to require that New Mountain Finance acquire all or any portion of the Common Membership Units held by such Non-NMF Member in exchange for shares of New Mountain Finance Common Stock on a one-for-one basis (the "**Exchange Right**"). Any Non-NMF Member desiring to exercise its Exchange Right (the "**Exchanging Member**") shall exercise such right by giving written notice (the "**Exchange Notice**") to New Mountain Finance with a copy to the Company. The Exchange Notice shall specify the number of Common Membership Units (the "**Exchange Units**") that the Exchanging Member intends to have New Mountain Finance acquire, whether such Exchanging Member intends to sell the shares of New Mountain Finance Common Stock to be received for the Exchange Units in an underwritten public offering (an "**Underwritten Resale**") or a private sale (a "**Private Resale**"), and a date, which is not more than sixty (60) Business Days after delivery of the Exchange Notice or as otherwise agreed among New Mountain Finance and such Exchanging Member, on which the exercise of the Exchange Right shall be completed (the "**Exchange Date**") unless the Exchanging Member has timely delivered a Retraction Notice or a Termination Notice as provided in Section 9.1(b). In the event that the Exchanging Member intends to sell the shares of New Mountain Finance Common Stock to be received for its Exchange Units in an Underwritten Resale or Private Resale, such Exchanging Member shall not deliver an Exchange Notice to New Mountain Finance with respect to such Exchange Units until such Exchanging Member has entered into a binding firm commitment underwriting agreement to sell such shares (subject to customary conditions) in such Underwritten Resale or a binding agreement to sell such shares (subject to customary conditions) in such Private Resale.

(b) Retraction Notice. At any time after delivery of the Exchange Notice and no later than the Business Day prior to the Exchange Date or as otherwise agreed between New Mountain Finance and such Exchanging Member, the Exchanging Member may retract its Exchange Notice by giving written notice (the "**Retraction Notice**") to New Mountain Finance (with a copy to the Company). The timely delivery of a Retraction Notice shall terminate all of the Exchanging Member's, Company's and New Mountain Finance's rights and obligations under this Section 9.1 arising from such Exchange Notice. If the Exchanging Member has advised New Mountain Finance that it intends to sell the related shares of New Mountain Finance Common Stock in an Underwritten Resale, and either the Exchanging Member reasonably determines that market conditions with respect to New Mountain Finance Common Stock make it inadvisable to proceed with the Underwritten Resale or the managing underwriter for the Underwritten Resale advises the Exchanging Member and New Mountain Finance that

the managing underwriter does not intend to close the sale of such shares in the Underwritten Resale, the Exchanging Member may terminate the Exchange Notice (the "**Termination Notice**") at any time prior to the Exchange Date by giving notice to New Mountain Finance (with a copy to the Company) prior to the Exchange Date. All of New Mountain Finance's and the Company's rights and obligations arising from the Exchange Notice shall terminate if the Exchanging Member timely delivers a Retraction Notice or a Termination Notice as provided in this Section 9.1(b).

(c) Exchange Mechanics. Unless a timely Retraction Notice or Termination Notice has been delivered to New Mountain Finance (with a copy to the Company) prior to the Exchange Date as set forth in Section 9.1(b), on the Exchange Date (to be effective immediately prior to the close of business on the Exchange Date or, in the case of an Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, respectively):

(1) the Exchanging Member shall (A) transfer and surrender to New Mountain Finance the Exchange Units, (B) represent and warrant to New Mountain Finance that the Exchange Units are owned by such Exchanging Member free and clear of all liens and encumbrances and (C) deliver to New Mountain Finance all transfer tax stamps or funds therefor, if required pursuant to Section 9.1(e);

(2) in the event that the shares of New Mountain Finance Common Stock to be issued in exchange for the Exchanging Member's Exchange Units are to be sold in an Underwritten Resale or Private Resale, the Exchanging Member shall direct New Mountain Finance to deliver directly to underwriter(s) with respect to an Underwritten Resale or to the buyer(s) with respect to a Private Resale, as the case may be, such shares of New Mountain Finance Common Stock;

(3) the Company shall revise Schedule A to reflect the Transfer of the Exchange Units pursuant to thisSection 9.1(c) and number of Common Membership Units held by New Mountain Finance and the Exchanging Member following the Exchange Date; and

(4) New Mountain Finance shall issue the number of shares of New Mountain Finance Common Stock equal to the number of Exchange Units being exchanged pursuant to the Exchange Notice and shall represent and warrant to the Exchanging Member that such shares are validly issued, fully paid and non-assessable; in the event that such shares of New Mountain Finance Common Stock are to be sold in an Underwritten Resale or Private Resale, such shares shall be issued in such name or names as the Exchanging Member shall have directed, or otherwise such shares shall be issued in the name of such Exchanging Member; and, if the New Mountain Finance Common Stock is certificated, New Mountain Finance shall deliver or cause to be delivered at the office of New Mountain Finance's transfer agent a

certificate or certificates representing such number of shares of New Mountain Finance Common Stock issued in the name of the Exchanging Member or, if such shares are to be sold in an Underwritten Resale or Private Resale, in such other name or names as the Exchanging Member shall have directed.

An exchange pursuant to this Section 9.1 shall be deemed to have been effected immediately prior to the close of business on the Exchange Date or, in the case of an

Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, as the case may be. The Person or Persons in whose name or names the shares of New Mountain Finance Common Stock are to be recorded shall be treated for all purposes as having become the record holder or holders of such shares of New Mountain Finance Common Stock immediately prior to the close of business on the Exchange Date or, in the case of an Underwritten Resale or Private Resale, immediately prior to the closing of the Underwritten Resale or Private Resale, as the case may be, and may sell such shares of New Mountain Finance Common Stock as permitted under applicable law.

If New Mountain Finance fully performs its obligations in connection pursuant to this Section 9.1(a), its obligations with respect to such Exchanging Member's exercise of the Exchange Right shall be fully satisfied and discharged. Each of the Exchanging Member, the Company and New Mountain Finance shall, for U.S. federal, state and local income tax purposes, treat the exchange as a taxable sale of the Exchanging Member's Common Membership Units to New Mountain Finance, except as otherwise required pursuant to a "determination" within the meaning of Section 1313 of the Code. Each Exchanging Member agrees to execute such instruments of transfer, officer's or other certificates or cross receipts to the extent necessary to evidence the exchange of the Exchange Units and as New Mountain Finance may reasonably require in connection with the issuance of shares of New Mountain Finance Common Stock in exchange for such Member's Exchange Units.

(d) Underwritten Resale or Private Resale. If the Exchanging Member specified an Underwritten Resale or Private Resale in the Exchange Notice, it shall, when available, attach to the Exchange Notice a copy of a fully executed underwriting agreement with respect to such Underwritten Resale (subject to customary conditions) or a binding agreement to sell the related shares of New Mountain Finance Common Stock (subject to customary conditions) with respect to such Private Resale, and such Exchanging Member shall provide in the Exchange Notice an Exchange Date that is the same date as the closing date specified in such underwriting agreement or sales agreement; provided that, in such a case, the Exchange Date shall not be less than three (3) Business Days after delivery of the Exchange Notice unless otherwise agreed. If the Exchanging Member specified an Underwritten Resale in the Exchange Notice, and desires to exchange Common Membership Units in connection with an underwriter's over-allotment option with respect to such Underwritten Resale, it shall deliver a subsequent Exchange Notice specifying a number of Common Membership Units that it intends to exchange (which exchange shall be settled in the same manner as the prior Exchange Units) and an Exchange Date that is the same date as the closing date specified by the managing underwriter with respect to such Underwritten Resale upon the exercise of said option.

(e) Stamp or Similar Taxes. The Person or Persons requesting the issuance of certificates, if such certificates are issued, representing shares of New Mountain Finance Common Stock upon exchange of Common Membership Units shall pay to New Mountain Finance the amount of any stamp or other similar tax in respect of such issuance that may be payable by New Mountain Finance in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Company that such tax has been paid or is not payable.

9.2 Effect of Exercise of Exchange Right. This Agreement shall continue notwithstanding the exercise of an Exchanging Member's Exchange Right and all governance or other rights set forth herein in accordance with their terms and subject to their conditions shall be

exercised by the remaining Members and the Exchanging Member (to the extent of such Exchanging Member's remaining Interest in the Company). No exercise of an Exchanging Member's Exchange Right shall relieve such Exchanging Member of any prior breach of this Agreement.

9.3 Reservation of New Mountain Finance Common Stock. New Mountain Finance shall at all times reserve and keep available out of its authorized but unissued New Mountain Finance Common Stock, solely for the purpose of issuance upon exchange of Common Membership Units, such number of New Mountain Finance Common Stock that may be issuable pursuant to the Section 9.1; provided, that nothing contained herein shall be construed to preclude New Mountain Finance from fulfilling its obligations to issue New Mountain Finance Common Stock pursuant to Section 9.1 by delivering New Mountain Finance Common Stock that is held in the treasury of New Mountain Finance. New Mountain Finance covenants that all New Mountain Finance Common Stock that shall be issued pursuant to Section 9.1 will, upon issue, be validly issued, fully paid and non-assessable.

ARTICLE 10
MISCELLANEOUS

10.1 Further Assurances. The Board and each Member of the Company shall, or shall cause their respective Affiliates or Representatives, as appropriate, to, take such actions and execute and deliver such other agreements, instruments and documents as may be necessary or desirable in order to carry out the purposes of this Agreement.

10.2 Amendments. Except as otherwise expressly provided in this Agreement or as required by law, this Agreement may be amended by the written consent of the holders of Common Membership Units representing a majority of all the Common Membership Units then outstanding; provided, however, that no amendment may adversely affect the rights of any holder of Common Membership Units without the consent of such holder if such amendment adversely affects the rights of such holder other than on a pro rata basis with other holders of Common Membership Units; provided, further, that any amendment to Schedule B pursuant to Section 4.12(c) will not be deemed to adversely affect the rights of any holder of Common Membership Units.

10.3 Pass-Through Voting. In accordance with the requirements of the Investment Company Act, each of New Mountain Finance and AIV Holdings, to the extent so required by the Investment Company Act, and any other Member that is an investment company relying on Section 12(d)(1)(E) of the Investment Company Act shall seek instructions from its security holders with regard to matters submitted to the vote of the Members, and each such Member shall vote only in accordance with such instructions.

10.4 Restrictions on Disclosure of Information. For a period of three (3) years after the earlier of (x) the dissolution of the Company or (y) the date upon which such Member ceases to be a Member of the Company:

(a) Each Member shall, and shall cause its Affiliates and its and its Affiliates' directors, officers, employees, agents and Representatives to, hold in confidence, in accordance with no less than the standards of confidentiality that it uses with respect to its own Confidential

Information (as defined below), and in no event less than a reasonable standard of care, all documents and Information concerning any other party hereto furnished it by such

other party or its representatives in connection with the transactions contemplated by this Agreement which the Board notifies such Member that it in good faith believes it is not in the best interest of the Company to disclose or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential (the "**Confidential Information**"). Notwithstanding the foregoing, each Member and each of its Affiliates may disclose such Confidential Information to the extent that such Confidential Information is required, in such Member's sole discretion, in connection with the preparation of any financial, reserve or other information as needed or appropriate to be included in the public filings of such Member or is required to be disclosed to lenders of Indebtedness, provided such lenders are under an obligation to keep such Confidential Information confidential, or such Member or Affiliate can demonstrate that such Confidential Information is or was (i) generally available to the public other than by the breach of this Agreement, or (ii) lawfully acquired from a third Person on a non-confidential basis or independently developed by, or on behalf of, such Person. Notwithstanding the foregoing, each Member and its Affiliates may disclose such Confidential Information to the extent that such Person reasonably believes it is legally compelled to disclose such Confidential Information by judicial or administrative process or to any tribunal, agency, Governmental Authority, including, but not limited to, the New York Stock Exchange, or else stand liable for contempt or suffer other censure or financial penalty or is otherwise required by law to disclose such Confidential Information. Each Member shall maintain, and shall cause its Affiliates to maintain, policies and procedures, and develop such further policies and procedures as shall from time to time become necessary or appropriate, to ensure compliance with this Section 10.4(a). Nothing contained in this Section 10.4 shall be deemed to limit the disclosure by a Member of its own Confidential Information.

(b) Each Member shall (i) not, directly or indirectly, use the Confidential Information of the Company, except (x) as necessary in the ordinary course of the Company's or such Member's business or (y) as otherwise agreed between the Company and any Member, or disclose the Confidential Information of the Company to any third party and (ii) inform all of its employees to whom the Confidential Information of the Company is entrusted or exposed of the requirements of this Section and of their obligations relating thereto. Notwithstanding the foregoing, in connection with a potential merger, acquisition, disposition, financing or other transaction or any potential Transfer of Units or New Mountain Finance Common Stock by a Member, such Member may disclose Confidential Information of the Company to third parties if the Member requires the recipients of such Confidential Information to sign an agreement of confidentiality and nondisclosure reasonably satisfactory to such Member.

(c) The Company shall preserve the confidentiality of all Confidential Information supplied by the Members and their Affiliates ("**Member Information**") to the same extent that a Member must preserve the confidentiality of Confidential Information pursuant toSections 10.4(a) and (b).

(d) Member Information shall not be supplied by the Company or its Subsidiaries to any Person, including any other Member, who is not an employee of the Company or the Investment Adviser, including any employee of a Member who is not an employee of the Company or the Investment Adviser. Notwithstanding the foregoing, Member

Information may be disclosed to the Member's Representatives and to authorized third-party contractors of the Company if the Company determines that such disclosure is reasonably necessary to further the business of the Company, and if such contractor executes a non-disclosure agreement preventing such contractor from disclosing such Member Information for the benefit of each provider of Member Information in a form reasonably acceptable to the Members providing such Member's Information. Member Information disclosed by any Member to the Company or the Investment Adviser shall not be shared with any other Member that is not the Investment Adviser without the disclosing Member's written consent.

10.5 Injunctive Relief. The Company and each Member acknowledge and agree that any breach or violation of any of the terms of, or a default under, this Agreement will cause the other Members and the Company, as the case may be, irreparable injury for which an adequate remedy at law is not available. Accordingly, it is agreed that each of the Members and the Company will be entitled to an injunction or restraining order restraining such breach, violation or default or threatened breach, violation or default and to any other equitable relief, including, without limitation, specific performance of the terms and provisions of this Agreement, in addition to any other remedy to which they may be entitled, at law or equity. The Company and each Member further agree that, in the event of any action for an injunction or other equitable remedy in respect of such breach or enforcement of specific performance, it will not assert the defense that a remedy at law would be adequate. Nothing stated herein shall limit any other remedies provided under this Agreement or available to the parties at law or equity.

10.6 No Third-Party Beneficiaries. This Agreement shall inure to the benefit of, and be binding upon, the Parties hereto and their respective legal representatives, successors and permitted assigns and transferees. Except as otherwise provided in this Agreement, nothing in this Agreement, express or implied, is intended to confer upon any other Person, including, but not limited to, any Person named in this Agreement that is not a Party, any rights, remedies, duties or obligations of any nature whatsoever under or by reason of this Agreement unless and until such Person becomes a Party.

10.7 Notices. Any notice, instruction, direction, demand or other communication required under the terms of this Agreement shall be in writing and shall be delivered by hand, facsimile transmission, electronic mail or nationally recognized overnight delivery service (with postage prepaid) and shall be deemed given when received if delivered on a Business Day during normal business hours of the recipient or, if not so delivered, on the next Business Day following receipt. Notices to the Company or any Member shall be delivered to the Company or such Member as set forth in Schedule A, as it may be revised from time to time.

10.8 Severability. If any term or other provision of this Agreement shall be determined by a court, administrative agency or arbitrator to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not render the entire Agreement invalid. Rather, this Agreement shall be construed as if not containing the particular invalid, illegal or unenforceable provision, and all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either the Company or the Members. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Company and the Members shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Members as closely as possible in a reasonably acceptable manner to the

end that the transactions contemplated hereby are fulfilled to the fullest extent permitted under applicable law.

10.9 Counterparts and Signature. This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. This Agreement may be executed by electronic transmission, including by facsimile or electronic mail, by each party hereto of a signed signature page hereof to the other party.

10.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial

(a) This Agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware to the rights and duties of the Parties.

(b) Each Party hereby expressly and irrevocably consents and submits to the jurisdiction of each state and federal court located in the City and County of New York, Borough of Manhattan (and each appellate court wherever located with jurisdiction over appeals from such court) for any action or other proceeding arising out of or relating to this Agreement, or the negotiation, validity or performance of this Agreement, or the transactions contemplated thereby (and agrees not to commence any action or other proceeding relating thereto except in such courts, including to enforce any settlement, order or award). Each Party hereto:

(i) consents to service of process in any such action or proceeding in any manner permitted by the laws of the State of New York, and also

agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 10.7 is sufficient and reasonably calculated to give actual notice;

(ii) agrees that each state and federal court located in the City and County of New York, Borough of Manhattan shall be deemed to be a convenient forum; and

(iii) waives and agrees not to assert (by way of motion, as a defense or otherwise), in any such action or proceeding commenced in any state or federal court located in the City and County of New York, Borough of Manhattan, any claim that such party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court.

(c) In the event of any action or other proceeding relating to this Agreement or the enforcement of any provision of this Agreement, the prevailing party (as determined by the court) shall be entitled to payment by the non-prevailing party of all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party, including any costs and expenses incurred in connection with any challenge to the jurisdiction or the convenience or propriety of venue of proceedings before any state or federal court located in the City and County of New York, Borough of Manhattan.

(d) **Each of the Parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any legal action or other legal proceeding directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby.** Each of the Parties hereto (a) certifies that no Representative, agent or attorney of any other Party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other Parties hereto have been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers set forth in this Section 10.10(d).

(signature page follows)

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

NEW MOUNTAIN GUARDIAN AIV, L.P.

By: _____
Name:
Title:

NEW MOUNTAIN GUARDIAN PARTNERS, L.P.

By: _____
Name:
Title:

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name:
Title:

[Signature page for Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C.]

Schedule A
Members and Units

Names and Addresses	Member Interest includes Common Membership Units	Percentage Interest
New Mountain Guardian AIV, L.P.: 787 7th Avenue, 48th Floor New York, NY 10019 (212) 720-0300 Fax: ( ) -		%

New Mountain Guardian Partners, L.P.: %

787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

Schedule B
Credit Agreement Covenants

The approval of the Board (including the consent of the Independent Manager (as defined in the Credit Agreement)) is required for the Company to (a) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (b) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (c) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (d) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (e) make any assignment for the benefit of the Borrower's creditors, (f) admit in writing its inability to pay its debts generally as they become due, or (g) take any action in furtherance of any of the foregoing.

Exhibit 1
Form of New Mountain Guardian AIV Holdings Corporation Joinder Agreement

JOINDER

, 2011

Reference is made to that certain Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011 (the "LLC Agreement"), by and among the members of the Company, attached hereto as Exhibit A.

By and upon execution of this joinder, the undersigned (a) shall be a party to the LLC Agreement, (b) accepts and agrees to be subject to all terms and conditions of the LLC Agreement, (c) shall be considered a "Member" and "AIV Holdings" thereunder and (d) shall be entitled to the rights and benefits and subject to the duties and obligations of a Member and AIV Holdings thereunder, in each case as fully as if the undersigned were an original signatory thereto in such capacity.

In accordance with the requirements of the Investment Company Act, AIV Holdings, to the extent so required by the Investment Company Act of 1940, as amended, and the rules and regulations promulgated by the Securities and Exchange Commission thereunder, shall seek instructions from its security holders with regard to matters submitted to the vote of the Members.

Unless otherwise specified in writing by the undersigned, the initial address for notices to the undersigned for purposes of the LLC Agreement is the address for the undersigned set forth on the signature page hereto. Pursuant to Section 3.1(c) of the LLC Agreement, the Company shall amend Schedule A to the LLC Agreement to reflect the admission of the undersigned as a Member and such other information of the undersigned as indicated in Schedule A to the LLC Agreement. This joinder shall not otherwise constitute an amendment or waiver of any provision of the LLC Agreement, which shall continue and remain in full force and effect in accordance with its terms.

* * *

IN WITNESS WHEREOF, the undersigned has executed this joinder as of the date first written above.

NEW MOUNTAIN FINANCE AIV HOLDINGS CORPORATION

By: _____
Name: _____
Its: _____

Address for Notices: 787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name: _____
Its: _____

Exhibit 2

Form of New Mountain Finance Corporation Joinder Agreement

JOINDER

, 2011

Reference is made to that certain Amended and Restated Limited Liability Company Agreement of New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011 (the "LLC Agreement"), by and among the members of the Company, attached hereto as Exhibit A.

By and upon execution of this joinder, the undersigned (a) shall be a party to the LLC Agreement, (b) accepts and agrees to be subject to all terms and conditions of the LLC Agreement, (c) shall be considered a "Member" and "New Mountain Finance" thereunder and (d) shall be entitled to the rights and benefits and subject to the duties and obligations of a Member and New Mountain Finance thereunder, in each case as fully as if the undersigned were an original signatory thereto in such capacity.

Unless otherwise specified in writing by the undersigned, the initial address for notices to the undersigned for purposes of the LLC Agreement is the address for the undersigned set forth on the signature page hereto. Pursuant to Section 3.1(c) of the LLC Agreement, the Company shall amend Schedule A to the LLC Agreement to reflect the admission of the undersigned as a Member and such other information of the undersigned as indicated in Schedule A to the LLC Agreement. This joinder shall not otherwise constitute an amendment or waiver of any provision of the LLC Agreement, which shall continue and remain in full force and effect in accordance with its terms.

* * *

IN WITNESS WHEREOF, the undersigned has executed this joinder as of the date first written above.

NEW MOUNTAIN FINANCE CORPORATION

By: _____
Name: _____
Its: _____

Address for Notices: 787 7th Avenue, 48th Floor
New York, NY 10019
(212) 720-0300
Fax: ( ) -

The Company hereby agrees to be bound by, and abide by, all of the provisions set forth in this Agreement.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name: _____
Its: _____

Exhibit (b)(6)

SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

NEW MOUNTAIN FINANCE SPV FUNDING, L.L.C.

This SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT ("Agreement") OF NEW MOUNTAIN FINANCE SPV FUNDING, L.L.C., a Delaware limited liability company (the "Company"), dated as of , 2011, is entered into by New Mountain Finance Holdings, L.L.C. (f/k/a New Mountain Guardian (Leveraged), L.L.C.), a Delaware limited liability company, as the sole member of the Company (the "Managing Member"), and Matthew Kaufman, as the Independent Manager (as defined in Section 2.1(b)).

Preliminary Statement

The Company was formed pursuant to a Certificate of Formation, dated as of October 7, 2010, and a Limited Liability Company Agreement, dated as of October 7, 2010, which Limited Liability Company Agreement was subsequently amended and restated on October 27, 2010 (as so amended and restated, the "Original Agreement"). On the date hereof and in accordance with the Transaction Documents (as defined below), New Mountain Guardian Partners SPV Funding, L.L.C. ("Guardian Partners SPV") entered into the Merger Agreement (as defined below) pursuant to which, among other transactions, Guardian Partners SPV shall merge with and into the Company, with the Company as the surviving entity (the "Merger Transaction"). In order to amend the Company's Original Agreement to reflect certain changes resulting from the Merger Transaction, the Managing Member and the Independent Manager wish to amend and restate the Original Agreement as hereinafter set forth:

ARTICLE I
NAME, PURPOSE, ETC.

Section 1.1 Name. The name of the Company is NEW MOUNTAIN FINANCE SPV FUNDING, L.L.C.

Section 1.2 Certificates. The Managing Member, as an authorized person, within the meaning of the of the Act, may execute, deliver and file, or cause the execution, delivery and filing of, all certificates (and any amendments and/or restatements thereof) required or permitted by the Delaware Limited Liability Company Act, 6 Del. C. § 18-101 et seq., as it may be amended from time to time, and any successor to such statute (the "Act"). The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate of Formation as provided in the Act.

Section 1.3 Purpose. Notwithstanding anything to the contrary in this Agreement or in any other document governing the Company, the sole purpose for which the Company is organized is to engage in the following activities:

(a) to acquire commercial loans and notes (collectively, the "Loans") by way of purchase or capital contribution and to fund a portion of the purchase price thereof by borrowing from the Lenders under the Loan and Security Agreement (as defined below);

(b) to purchase Loans in the secondary market directly from third parties, to the extent permitted by the Transaction Documents;

(c) upon purchasing a Loan that is a commercial loan to become a party to any related agreements as a lender in respect of such Loan, to the extent permitted by the Transaction Documents;

(d) to dispose of Loans from time to time, to the extent permitted by the Transaction Documents;

(e) to hold property ancillary to the Loans such as related equity securities and proceeds thereof, to the extent permitted by the Transaction Documents;

(f) to enter into and to exercise its rights and perform its obligations under (i) the Loan and Security Agreement, among the Company, as the borrower, each of the Lenders from time to time party thereto, the Managing Member, as the collateral administrator, Wells Fargo Securities, LLC, as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian (as amended, modified or supplemented, the "Loan and Security Agreement"), (ii) the Indemnity Agreement, between the Company and New Mountain Guardian AIV, L.P., a Delaware limited partnership ("AIV") (as amended, modified or supplemented, the "Indemnity Agreement", and, together with the Loan and Security Agreement, the "Transaction Documents"), (iii) the Merger Agreement between the Managing Member, the Company and Guardian Partners SPV, dated as of , 2011 (the "Merger Agreement") and (iv) fee letters in respect of the Loan and Security Agreement (the "Fee Letters");

(g) to grant a security interest to the Administrative Agent in, for the benefit of the Secured Parties, all of the Company's right, title and interest in and to all of its assets, including the Loans and the proceeds thereof (as more specifically described in the Loan and Security Agreement, the "Collateral") to secure all of its obligations under the Loan and Security Agreement;

(h) to enter into back up servicing and custody agreements as required by the Loan and Security Agreement, to open and maintain all bank accounts and securities accounts required by the Loan and Security Agreement and to pay all fees and expenses in connection therewith;

(i) to preserve and maintain its limited liability company existence; and

(j) to engage in any activity and to exercise powers permitted to limited liability companies under the laws of the State of Delaware that are incidental to the foregoing and necessary or convenient to accomplish the foregoing.

The limitations on the Company's business and activities as set out in this Section 1.3 may not be altered except upon the consent of the Managing Member and the unanimous affirmative vote of all the Managers (as defined below) of the Company.

Section 1.4 Powers of the Company; Initial Authorizations. Subject to all of the provisions of this Agreement, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purposes set forth in Section 1.3.

The Company is hereby authorized to negotiate, enter into, execute, amend, deliver and perform under, and the Managing Member and the Managers, with the

exception of the Independent Manager, are hereby authorized to negotiate, enter into, execute, amend and deliver, the Transaction Documents and all documents, agreements, certificates or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any other Person notwithstanding any other provision of this Agreement.

Section 1.5 Registered Office. The address of the registered office of the Company in the State of Delaware is c/o RL&F Service Corp., One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801.

Section 1.6 Registered Agent. The name and address of the registered agent of the Company for service of process on the Company in the State of Delaware is RL&F Service Corp., One Rodney Square, 10th Floor, Tenth and King Streets, Wilmington, New Castle County, Delaware 19801.

Section 1.7 Qualification in Other Jurisdictions. The Company shall be qualified or registered under foreign limited liability company statutes in any jurisdiction in which the Company owns property or transacts business to the extent, in the judgment of the Board, such qualification or registration is necessary or advisable in order to protect the limited liability of the Members or to permit the Company lawfully to own property or transact business. The Board shall, to the extent necessary in the judgment of the Board, maintain the Company's good standing in each such jurisdiction. Any authorized person of the Company may execute, deliver and file any certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business.

Section 1.8 Fiscal Year. The fiscal year of the Company (the "Fiscal Year") shall end on December 31.

Section 1.9 Separate Legal Entity. Notwithstanding anything to the contrary in this Agreement or in any other document governing the Company, the Company shall be operated in such a manner that it would not be substantively consolidated in the estate of

any Person in the event of a bankruptcy or insolvency of such Person and in such regard, the Company shall:

(a) at all times have at least one Independent Manager whose consent shall be required for the Company to take any Material Action (as hereinafter defined);

(b) not become involved in the day-to-day management of any other Person;

(c) conduct all business correspondence of the Company and other communication in the Company's own name, on its own stationery, through separately listed telephone and facsimile numbers and a separate email address and through its own authorized officers and/or agents;

(d) make all investments to be made by it solely in its own name;

(e) not commingle any of its assets with the assets of the Managing Member or with those of any other Person and maintain its own deposit account or accounts, separate from those of any Affiliate, with commercial banking institutions, except to the extent, if any, permitted by any of the Transaction Documents;

(f) maintain (i) its company records and books of account and its financial and accounting books and records in compliance with generally accepted accounting principles, separate from those of the Managing Member or from those of any other Person and (ii) maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and not have its assets listed on any financial statement of any other Person; provided, however, that the Company's assets and liabilities may be included in a consolidated financial statement of its Affiliates provided that the separateness of the Company from such Affiliate and that the Company's assets and credit are not available to satisfy the debts and other obligations of such Affiliate is disclosed by such Affiliate within all public filings that contain such consolidated financial statements;

(g) pay solely from its own assets all obligations, liabilities and indebtedness of any kind incurred by the Company, and not pay, assume or guarantee from its assets any obligations, liabilities or indebtedness of the Managing Member or any other Person or hold itself or its credit out as being available to satisfy the obligations of the Managing Member or any other Person, except to the extent permitted by any of the Transaction Documents in connection with the SPV Merger, provided, that the Company may reimburse the Managing Member for the Company's fair and reasonable allocable portion of shared expenses with the Managing Member in furtherance of the stated purposes of the Company as set forth in Section 1.3 of this Agreement, provided, further, that the

Company may enter into an employment-sharing agreement with the Managing Member whereby the Company may jointly employ any officer or employee of the Managing Member and the Company, and the Managing Member will pay its fair and reasonable allocable portion of the salaries of and the expenses related to providing benefits to such officers and other employees for such joint employment;

(h) not engage in transactions with any other Person except as expressly set forth in this Agreement or the Transaction Documents and matters necessarily incident thereto and shall observe all necessary, appropriate and customary limited liability company formalities;

(i) at all times maintain and conduct its business from an office or offices separate and apart from those of the Managing Memberprovided to the extent that such office or offices are located within the office or offices of the Managing Member or its Affiliates, (i) the Company shall pay fair market rent and its fair share of any overhead costs with respect to such office or offices and (ii) such office or offices will be conspicuously identified as the Company's office so it can be easily located by outsiders;

(j) not enter into any transaction with any Affiliate, other than those transactions expressly contemplated by this Agreement or the Transaction Documents or which have been entered into only on an arm's length basis;

(k) prepare separate tax returns and financial statements, or if the Company is part of a consolidated group, be shown as a separate member of such group;

(l) transact all business with Affiliates on an arm's length basis and pursuant to enforceable agreements;

(m) maintain a sufficient number of employees or duly compensated agents to run its contemplated business and operations (which employees need not be full-time employees) and compensate its employees (if any) and agents from its own available funds for services provided to it. In the event employees of the Company participate in pension, insurance and other benefit plans of the Managing Member or any Affiliate thereof, the Company will on a current basis reimburse the Managing Member or the relevant Affiliate, as the case may be, for its pro rata share of the costs thereof;

(n) not acquire obligations or securities of the Managing Member or, except as otherwise provided in the Transaction Documents, pledge its

assets for the benefit of any other Person;

(o) except as permitted by the Transaction Documents in connection with the SPV Merger, not assume or guaranty any liabilities of the Managing Member or any other Person;

(p) hold itself out and identify itself as a separate and distinct entity under its own name and not as a division or part of any other Person. The Company will engage in transactions solely in its own name and through its own authorized officers and agents. Except to the extent provided in the Loan and Security Agreement, no Affiliate of the Company will be appointed as an agent of the Company;

(q) promptly correct any known misunderstanding regarding its separate identity; and

(r) maintain adequate capital in light of its contemplated business operations (provided, however, the foregoing shall not require the Managing Member to make additional capital contributions to the Company) and not engage in any transaction with any of its Affiliates involving any intent to hinder, delay or defraud any Person.

Failure of the Company, or the Managing Member on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Managing Member or the Independent Manager.

Section 1.10 Limitation on Certain Activities. Notwithstanding anything to the contrary in this Agreement or in any other document governing the Company, prior to the date on which all obligations under the Transaction Documents have been paid in full, the Company shall not and the Managing Member shall not cause or permit the Company to:

(a) guarantee any obligation of any Person, including any Affiliate;

(b) engage, directly or indirectly, in any business other than the actions required or permitted to be performed under Section 1.3 or Section 1.9;

(c) incur, create or assume any indebtedness other than as expressly permitted under the Transaction Documents and the Fee Letters;

(d) make or permit to remain outstanding any loan or advance to, or own or acquire any stock or securities of, any Person, except that the Company may invest in those investments permitted under the Transaction Documents;

(e) to the fullest extent permitted by law, engage in any dissolution, liquidation, consolidation, merger, asset sale or transfer of ownership interests other than such activities as are expressly permitted pursuant to any provision of the Transaction Documents;

(f) form, acquire or hold any subsidiary (whether corporate, partnership, limited liability company or other);

(g) consent to substantive consolidation with the Managing Member;

(h) except as contemplated or permitted by the Transaction Documents, engage in any transactions with an Affiliate of the Company other than the purchase of Loans for fair market value;

(i) engage in any other action that bears upon whether the separate identity of the Company and the Managing Member will be respected, or the assets of the Company will be consolidated with those of the Managing Member under applicable federal or state bankruptcy or insolvency law; or

(j) declare or permit any distribution to the Managing Member or any of its Affiliates other than out of legally available funds or otherwise in accordance with the Transaction Documents.

Section 1.11 Applicability of the Delaware Limited Liability Company Act. To the extent that a Member's rights and obligations and the administration, dissolution, liquidation and termination of the Company are not set forth in this Agreement, such will be governed by the Act. To the extent that this Agreement contains a provision contrary to a Act provision that permits its being overridden by an operating agreement, such Act provision is overridden by such contrary provision in this Agreement.

ARTICLE II

BOARD OF MANAGERS

Section 2.1 Generally. (a) Subject to Sections 1.9 and 1.10, the business and affairs of the Company shall be managed by or under the direction of a committee of the Company (the "Board") consisting of at least three natural persons designated as managers (the "Managers") as provided below. Each of the Managers is hereby designated as a "manager" of the Company within the meaning of the Act. The Board shall have discretion to manage and control the business and affairs of the Company, to make decisions affecting the business and affairs of the Company, and to take actions as it deems necessary or appropriate to accomplish the purposes of the Company and to exercise all of the power and authority that limited liability companies may take under the Act and, except as otherwise provided in this Agreement, the Managing Member shall not have authority to bind the Company. Except as otherwise modified by this Agreement, in exercising their rights and performing their duties under this Agreement, the Managers shall have fiduciary duty of loyalty and care similar to that of a director of a business corporation organized under the General Corporation Law of the State of Delaware.

(b) At all times the Board shall include at least one Manager who is an Independent Manager. An "Independent Manager" shall be a Manager who is not at such time, and shall have not been at any time, (i) an officer, employee or Affiliate of the

Company or any major creditor, or a manager, officer or employee of any such Affiliate (other than an Independent Manager or similar position of the Company or an Affiliate), or (ii) the beneficial owner of any limited liability company interests of the Company or any voting, investment or other ownership interests of any Affiliate of the Company or of any major creditor. The term "major creditor" shall mean a financial institution to which the Managing Member, the Company, any lender to the Company or

any of their respective subsidiaries or Affiliates has outstanding indebtedness for borrowed money in a sum sufficiently large as would reasonably be expected to influence the judgment of the proposed Independent Manager adversely to the interests of the Company when its interests are adverse to those of the Managing Member, any such lender or any of their Affiliates and successors.

(c) No resignation or removal of an Independent Manager, and no appointment of a successor Independent Manager, shall be effective until such successor shall have accepted his or her appointment as an Independent Manager by a written instrument. In the event of a vacancy in the position of Independent Manager, the Managing Member shall, as soon as practicable, appoint a successor Independent Manager.

(d) To the fullest extent permitted by law, including Section 18-1101(c) of the Act, and notwithstanding any duty otherwise existing at law or in equity, the Independent Manager shall consider only the interests of the Company, including its respective creditors, in acting or otherwise voting on the matters referred to in Section 2.6. Except for duties to the Company as set forth in the immediately preceding sentence (including duties to the Managing Member and the Company's creditors solely to the extent of their respective economic interests in the Company but excluding (i) all other interests of the Managing Member, (ii) the interests of other Affiliates of the Company, and (iii) the interests of any group of Affiliates of which the Company is a part), the Independent Manager shall not have any fiduciary duties to the Managing Member, any Officer or any other Person bound by this Agreement; provided, however, the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing. To the fullest extent permitted by law, including Section 18-1101(e) of the Act, an Independent Manager shall not be liable to the Company, the Managing Member or any other Person bound by this Agreement for breach of contract or breach of duties (including fiduciary duties), unless the Independent Manager acted in bad faith or engaged in willful misconduct. All right, power and authority of the Independent Managers shall be limited to the extent necessary to exercise those rights and perform those duties specifically set forth in this Agreement. Notwithstanding any other provision of this Agreement to the contrary, each Independent Manager, in its capacity as an Independent Manager, may only act, vote or otherwise participate in those matters referred to in Section 2.6 or as otherwise specifically required by this Agreement.

Section 2.2 Election of Board. The Managers shall be chosen by the Managing Member. The initial Managers of the Company are set forth on Annex A hereto. Each Manager shall hold office until a successor is selected by the Managing Member or until such Manager's death, resignation or removal.

Section 2.3 Meetings of the Board. The Board shall meet from time to time to discuss the business of the Company. The Board may hold meetings either within or outside of the State of Delaware. Meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board or the Managing Member. Any Manager may call a meeting of the Board on three days' notice to each other Manager, either personally, by telephone, by facsimile or by any other similarly timely means of communication.

Section 2.4 Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting and without prior notice if the majority of the members of the Board consent thereto in writing or by electronic transmission, and such writing or writings or electronic transmissions are filed with the minutes of proceedings of the Board. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 2.5 Quorum and Acts of the Board. At all meetings of the Board, a majority of the Managers then in office shall constitute a quorum for the transaction of business. Except as otherwise provided in this Agreement, the act of a majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at any meeting of the Board, the Managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 2.6 Unanimous Vote of Managers. Notwithstanding any other provision of this Agreement or any other document governing the formation, management or operation of the Company and notwithstanding any provision of law that otherwise so empowers the Company, the Managing Member, the Managers, or any other Person, neither the Managing Member, the Managers nor any other Person shall be authorized or empowered, nor shall they permit the Company, without the prior unanimous written consent of all of the Managers, including the Independent Manager (and no such actions shall be taken or authorized unless there is at least one Independent Manager then serving in such capacity), take any of the following actions with respect to the Company (each such action, a "Material Action"): to institute proceedings to be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Company, or file a petition or consent to a petition seeking reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, or to seek any relief under any law relating to the relief from debts or the protection of debtors, or consent to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or a substantial part of its property, or make any assignment for the benefit of creditors, or, except as required by law, admit in writing its inability to pay its debts generally as they become due, or take any action in furtherance of any of the foregoing.

Section 2.7 Electronic Communications. Members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or similar communications equipment by

means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 2.8 Compensation of Managers. The Board shall have the authority to fix the compensation of Managers. The Managers may be paid their expenses, if any, of attendance at such meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as Manager. No such payment shall preclude any Manager from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings. No Manager who is an employee of the Managing Member or the Company shall receive compensation for his or her service as a Manager.

Section 2.9 Resignation. Subject to Sections 2.1(b) and 2.1(c), any Manager may resign at any time by giving written notice to the Company. Subject toSections 2.1(b) and 2.1(c), the resignation of any Manager shall take effect upon receipt of such notice or at such later time as shall be specified in the notice; and, unless otherwise specified in the notice, the acceptance of the resignation by the Company, the Managing Member or the remaining Managers shall not be necessary to make it effective.

Section 2.10 Removal of Managers. If at any time the Managing Member, in its sole discretion, notwithstandingSections 2.1(b), but subject to Section 2.1(c), determines to remove, with or without cause, any Manager, the Managing Member shall have the power to take all such actions promptly as shall be necessary or desirable to cause the removal of such Manager. Any vacancy caused by any such removal may be filled in accordance with Section 2.11.

Section 2.11 Vacancies. If any vacancies shall occur in the Board, by reason of death, resignation, removal or otherwise, the Managers then in office shall continue to act, and such vacancies may be filled by the Managing Member in its sole discretion, subject to Sections 2.1(b) and 2.1(c). A Manager selected to fill a vacancy shall hold office until his or her successor has been selected and qualified or until his or her earlier death, resignation or removal.

Section 2.12 Managers as Agents. The Managers, to the extent of their powers set forth in this Agreement, are agents of the Company for the purpose of the Company's business, and the actions of the Managers taken in accordance with such powers shall bind the Company.

Section 2.13 Special Member. Upon the occurrence of any event that causes the Managing Member to cease to be a member of the Company (other than upon continuation of the Company without dissolution upon (i) an assignment by the Managing Member of all of its limited liability company interests in the Company and the admission of the transferee pursuant to Sections 6.8, 6.9 and 6.10, or (ii) the resignation of the Managing Member and the admission of an additional member of the Company pursuant to Sections 6.8, 6.9 and 6.10), the Independent Manager shall, without any action of any Person and simultaneously with the Managing Member ceasing to be a

member of the Company, automatically be admitted to the Company as the Special Member (the 'Special Member") and shall continue the Company without dissolution. The Special Member may not resign from the Company or transfer its rights as the Special Member unless (i) a successor Special Member has been admitted, with the consent of the Special Member, to the Company as Special Member by executing a counterpart to this Agreement, and (ii) such successor has also accepted its appointment by the Special Member as an Independent Manager pursuant to Section 2.1(b); provided, however, the Special Member shall automatically cease to be a member (but not an Independent Manager) of the Company upon the admission to the Company of a substitute Member. The Special Member shall be a member of the Company that has no interest in the profits, losses and capital of the Company and has no right to receive any distributions of Company assets. Pursuant to Section 18-301 of the Act, the Special Member shall not be required to make any capital contributions to the Company and shall not have any limited liability company interest in the Company. The Special Member, in its capacity as the Special Member, may not bind the Company. Except as required by any mandatory provision of the Act (and other than with respect to the admission of a substitute Member or successor Special Member and the appointment of an Independent Manager pursuant to this Section 2.13), the Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Company, including, without limitation, the merger, consolidation or conversion of the Company. In order to implement the admission to the Company of the Special Member, the person acting as an Independent Manager pursuant to Section 2.1(b) shall execute a counterpart to this Agreement. Prior to its admission to the Company as the Special Member, the person acting as an Independent Manager pursuant to Section 2.1(b) shall not be a member of the Company. By signing this Agreement, the Independent Manager agrees that should the Independent Manager become a Special Member he will be subject to and bound by the provisions of this Agreement applicable to the Special Member.

ARTICLE III
CAPITAL CONTRIBUTIONS, ALLOCATIONS AND DISTRIBUTIONS

Section 3.1 Limited Liability Company Interest. The Company's limited liability company interests shall be in such forms as the Managing Member shall determine in its sole discretion.

Section 3.2 Additional Capital Contributions. The Managing Member shall have the right, but not the obligation, to make capital contributions to the Company in the form of cash, services or otherwise, at the times and in the amounts as it shall determine in its sole discretion.

Section 3.3 Allocations and Distributions. Except as otherwise provided in this Agreement, profits, losses and, to the extent necessary, individual items of income, gain, loss or deduction, of the Company shall be made solely to the Managing Member when and as determined by the Managing Member. The Company shall not declare or permit any distribution to the Managing Member other than out of legally available funds or otherwise in accordance with the Transaction Documents.

ARTICLE IV
DISSOLUTION

The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (a) the termination of the legal existence of the last remaining member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act or (b) the entry of a decree of judicial dissolution under Section 18-802 of the Act. Upon the occurrence of any event that causes the last remaining member of the Company to cease to be a member of the Company or that causes the Managing Member to cease to be a member of the Company (other than upon continuation of the Company without dissolution upon (x) an assignment by the Managing Member of all of its limited liability company interests in the Company and the admission of the transferee pursuant to Sections 6.8, 6.9 and 6.10, or (y) the resignation of the Managing Member and the admission of an additional member of the Company pursuant to Sections 6.8, 6.9 and 6.10), to the fullest extent permitted by law, the personal representative of such member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Company, effective as of the occurrence of the event that terminated the continued membership in the Company of such member in the Company.

In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 18-804 of the Act.

The Company shall terminate when (i) all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company shall have been distributed to the Managing Member or Special Member in the manner provided for in this Agreement and (ii) the certificate of formation of the Company shall have been canceled in the manner required by the Act.

ARTICLE V
LIABILITY, EXCULPATION, INDEMNIFICATION

Section 5.1 Limited Liability.

(a) Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and none of the Managing Member, Special Member nor any Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member or manager of the Company.

(b) Neither the Managing Member, AIV, New Mountain Investments III, L.L.C., a Delaware limited liability company, nor any managers, officers, employees, shareholders, agents or representatives of the Company or any of the aforementioned entities (each, a "Covered Person"), shall be liable to the Company or the Managing Member for any loss, liability, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that a Covered Person shall be liable for any loss, liability, damage or claim incurred by reason of such Covered Person's gross negligence or willful misconduct.

Section 5.2 Indemnification. To the fullest extent permitted by applicable law, a Covered Person shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Covered Person by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company, except that no Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of such

Covered Person's gross negligence or willful misconduct with respect to such acts or omissions; provided, that any indemnity under this Section 5.2 shall be provided out of and to the extent of Company assets only, and no Covered Person shall have any personal liability on account thereof.

Section 5.3 Expenses. To the extent permitted by applicable law, expenses (including reasonable attorneys' fees, disbursements, fines and amounts paid in settlement) incurred by a Covered Person in defending any claim, demand, action, suit or proceeding relating to or arising out of their performance of their duties on behalf of the Company may, from time to time and at the discretion of the Board, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined that the Covered Person is not entitled to be indemnified as authorized in Section 5.2.

Section 5.4 Priority of Indemnification. Notwithstanding the foregoing provisions, any indemnification set forth herein shall be fully subordinate to the Obligations (as defined in the Loan and Security Agreement) and, to the fullest extent permitted by law, shall not constitute a claim against the Company in the event that the Company's cash flow is insufficient to pay all its obligations to creditors. This Section 5.4 shall survive any termination of this Agreement.

Section 5.5 Indemnification From Company Assets. Any indemnification under this Article V shall be satisfied solely out of the assets of the Company, and no Member shall be subject to personal liability or required to fund or cause to be funded any obligation by reason of these indemnification provisions.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Amendment, Waiver, Etc. The Managing Member shall not, prior to the date on which all obligations (other than contingent indemnification and reimbursement obligations) under the Transaction Documents have been paid in full, amend, alter, change or repeal the definition of "Independent Manager", Sections 1.3, 1.9, 1.10, 2.1, 2.6, 2.13, 5.4, 6.1, 6.5, 6.7, 6.8, 6.9 or 6.10 or Article IV (collectively, the "Special Purpose Provisions") without the prior written consent of the Independent Manager and without the prior written consent of the Administrative Agent. The Managing Member reserves the right to amend, alter, change or repeal any provisions contained in this Agreement in accordance with this Section 6.1. In the event of any conflict between any of the Special Purpose Provisions and any other provision of this or any other document governing the formation, management or operation of the Company, the Special Purpose Provisions shall control.

Section 6.2 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

Section 6.3 Defined Terms. Each capitalized term used herein without definition shall have the same meaning specified in the Loan and Security Agreement.

Section 6.4 Integration. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

Section 6.5 No Third-Party Beneficiaries. Except as provided in Article V with respect to the exculpation and indemnification of Covered Persons and the Administrative Agent (as defined in the Loan and Security Agreement) with respect to the Special Purpose Provisions, nothing in this Agreement shall confer any rights upon any Person other than the parties hereto and their successors and permitted assigns.

Section 6.6 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED UNDER, THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

Section 6.7 Additional Special Purpose Entity Provisions.

(a) Notwithstanding any other provision of this Agreement, the Bankruptcy of the Managing Member or any Special Member shall not cause the Managing Member or the Special Member to cease to be a member of the Company and upon the occurrence of such an event, the Company shall continue without dissolution.

For purposes of this section, "Bankruptcy" means, with respect to any Person, if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it

an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (vii) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of "Bankruptcy" set forth in Sections 18-101(1) and 18-304 of the Act.

(b) Notwithstanding any other provision of this Agreement, each of the Managing Member, the Special Member and any additional member waive any right it might have to agree in writing to dissolve the Company upon the Bankruptcy of the Managing Member, Special Member or additional member, or the occurrence of an event that causes the Managing Member, Special Member or additional member to cease to be a member of the Company.

(c) To the fullest extent permitted by law, each of the Managing Member, the Special Member, and any additional member admitted to the Company hereby irrevocably waives any right or power that such Person might have to cause the Company or any of its assets to be partitioned, to cause the appointment of a receiver for all or any portion of the assets of the Company, to compel any sale of all or any portion of the assets of the Company pursuant to any applicable law or to file a complaint or to institute any proceeding at law or in equity to cause the dissolution, liquidation, winding up or termination of the Company.

Section 6.8 Assignments. Subject to Section 6.10 and any transfer restrictions contained in the Transaction Documents, the Managing Member may assign all its limited liability company interest in the Company, provided that the assignee of such interests is able to satisfy and comply with all of the Managing Member's obligations and conditions of this Agreement upon admission as a member. Subject to Section 6.10, if the Managing Member transfers all of its limited liability company interest in the Company pursuant to this Section 6.8, the transferee shall be admitted to the Company as a member of the Company upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the transfer and, immediately following such admission, the transferor Member shall cease to be a member of the Company. Any successor to the Managing Member by merger or consolidation in compliance with the Transaction Documents shall, without further act, be the Managing Member hereunder, and such

merger or consolidation shall not constitute an assignment for purposes of this Agreement and the Company shall continue without dissolution.

Section 6.9 Resignation. So long as any Obligation is outstanding, the Managing Member may not resign, except as permitted under the Transaction Documents and if the Administrative Agent consents in writing and if an additional member is admitted to the Company pursuant to Section 6.10. If the Managing Member is permitted to resign pursuant to this Section 6.9, an additional member of the Company shall be admitted to the Company, subject toSection 6.10, upon its execution of an instrument signifying its agreement to be bound by the terms and conditions of this Agreement, which instrument may be a counterpart signature page to this Agreement. Such admission shall be deemed effective immediately prior to the resignation and, immediately following such admission, the resigning Member shall cease to be a member of the Company.

Section 6.10. Admission of Additional Members and Transfers of Indirect Interests. One or more additional members of the Company may be admitted to the Company with the written consent of the Managing Member (or the Special Member pursuant to Section 2.13); provided, however, that, notwithstanding the foregoing, for so long as any Obligation remains outstanding, no additional Member may be admitted to the Company pursuant to Sections 6.8, 6.9 or 6.10, without the prior written consent of the Administrative Agent, other than pursuant to Section 2.13 or Section 4 of this Agreement.

Section 6.11. Counterparts and Signature. This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. This Agreement may be executed by electronic transmission, including by facsimile or electronic mail, by each party hereto of a signed signature page hereof to the other party.

IN WITNESS WHEREOF, the undersigned, being the Managing Member of the Company, intending to be legally bound hereby, has duly executed this Agreement as of the date first above written.

MANAGING MEMBER:

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: New Mountain Guardian AIV, L.P., its managing member

By: New Mountain Investments III, L.L.C., its general partner

By: _____
Steven B. Klinsky
Managing Member

Acknowledged and Agreed:

_____
Steven B. Klinsky
Manager

_____
Robert A. Hamwee
Manager

_____
Adam J. Collins
Manager

_____
Matthew Kaufman

Independent Manager

[*Signature page of the Second Amended and Restated Limited Liability Company Agreement of New Mountain Finance SPV Funding, L.L.C*]

Annex A

Managers

Steven B. Klinsky

Robert A. Hamwee

Adam J. Collins

Matthew Kaufman (Independent Manager)

Exhibit (d)

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

NUMBER **SHARES**

SEE REVERSE SIDE FOR CERTAIN DEFINITIONS

NEW MOUNTAIN FINANCE CORPORATION

TOTAL AUTHORIZED ISSUE
[ ] SHARES PAR VALUE $0.01 EACH
COMMON STOCK

This is to Certify that is the owner of ( ) fully paid and non-assessable shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

Witness, the seal of the Corporation and the signatures of its duly authorized officers.

Dated: , 20

ROBERT A. HAMWEE
PRESIDENT & CHIEF EXECUTIVE OFFICER

ADAM WEINSTEIN
CHIEF FINANCIAL OFFICER & TREASURER

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	— as tenants in common	UNIF GIFT MIN ACT —	Custodian Custodian
TEN ENT	— as tenants by the entireties		(Cust) (Minor)
JT TEN	— as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act (State)

Additional abbreviations may also be used though not in the above list.

For value received hereby sell, assign and transfer unto

For value received hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING POSTAL ZIP CODE OF ASSIGNEE)

Shares represented by the within Certificate, and do hereby irrevocably constitute and appoint Attorney to transfer the said Shares on the books of the within named Corporation with full power of substitution in the premises.

Dated , 20

In presence of

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Exhibit (e)

DIVIDEND REINVESTMENT PLAN
OF
NEW MOUNTAIN FINANCE CORPORATION

New Mountain Finance Corporation, a Delaware corporation (the "Corporation"), hereby adopts the following plan (the "Plan") with respect to net investment income dividends and capital gains distributions declared by its Board of Directors on shares of its Common Stock, par value $0.01 per share (the "Common Stock");

1. Unless a stockholder specifically elects to receive cash as set forth below, all net investment income dividends and all capital gains distributions hereafter declared by the Board of Directors shall be payable in shares of the Common Stock of the Corporation, and no action shall be required on such stockholder's part to receive a distribution in stock.

2. Such net investment income dividends and capital gains distributions shall be payable on such date or dates as may be fixed from time to time by the Board of Directors to stockholders of record at the close of business on the record date(s) established by the Board of Directors for the net investment income dividend and/or capital gains distribution involved.

3. The Corporation shall use only newly-issued shares of its Common Stock to implement the Plan if the price at which newly-issued shares are to be credited is equal to or greater than 110% of the last determined net asset value of the shares. The number of shares to be issued to a stockholder shall be determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of the Corporation's Common Stock at the close of regular trading on the New York Stock Exchange on the valuation date fixed by the Board of Directors for such distribution. Market price per share on that date shall be the closing price for such shares as reported on the New York Stock Exchange or, if no sale is reported for such day, at the average of their electronically-reported bid and asked prices.

4. If the Corporation declares a distribution to stockholders, the Corporation may instruct the Plan Administrator, as defined below, not to credit accounts with newly-issued shares and instead to buy shares in the market if the price at which newly-issued shares are to be credited does not exceed 110% of the last determined net asset value of the shares. Shares purchased in open market transactions by the Plan Administrator shall be allocated to each Participant, as defined below, based upon the average purchase price, excluding any brokerage charges or other charges, of all shares of Common Stock purchased with respect to the applicable distribution.

5. A stockholder may elect from time to time to receive his or its net investment income dividends and capital gains distributions in cash. To exercise this option, such stockholder shall notify American Stock Transfer and Trust Company, LLC, the plan administrator and the Corporation's transfer agent and registrar (referred to as the "Plan Administrator"), in writing or through the internet at www.amstock.com or the toll free number (888) 333-0212 so that such notice is received by the Plan Administrator no later than three days prior to the payment date fixed by the Board of Directors for the net investment income dividend and/or capital gains distribution. If the request to terminate participation in the Plan is received less than three days prior to the payment date then that dividend will be reinvested, but all subsequent dividends on all balances will be paid out in cash. Such election shall remain in effect (without the

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requirement to confirm the election) until the stockholder shall notify the Plan Administrator in writing of such stockholder's withdrawal of the election, which notice shall be delivered to the Plan Administrator no later than three days prior to the payment date fixed by the Board of Directors for the next net investment income dividend and/or capital gains distribution by the Corporation.

6. The Plan Administrator will set up an account for shares acquired pursuant to the Plan for each stockholder who has not so elected to receive dividends and distributions in cash (each a "Participant"). The Plan Administrator will hold each Participant's shares, together with the shares of other Participants, in non-certificated form in the Plan Administrator's name or that of its nominee. Upon request by a Participant, received in writing or through the internet at www.amstock.com or the toll free number (888) 333-0212 at any time, the Plan Administrator will, instead of crediting shares to and/or carrying shares in a Participant's account, issue, to the Participant, a certificate registered in the Participant's name for the number of whole shares payable to the Participant and a check for any fractional share less a transaction fee of the lesser of (i) $15.00 and (ii) the price of the fractional share.

7. The Plan Administrator will confirm to each Participant each acquisition made pursuant to the Plan as soon as practicable but not later than 30 business days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to three decimal places) in a share of Common Stock of the Corporation, no certificates for a fractional share will be issued. However, dividends and distributions on fractional shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan, the Plan Administrator will adjust for any such undivided fractional interest in cash at the market value of the Corporation's shares at the time of termination.

8. The Plan Administrator will forward to each Participant any Corporation related proxy solicitation materials and each Corporation report or other communication to stockholders, and will vote any shares held by it under the Plan in accordance with the instructions set forth on proxies returned by Participants to the Corporation or the Plan Administrator.

9. In the event that the Corporation makes available to its stockholders rights to purchase additional shares or other securities, the shares held by the Plan Administrator for each Participant under the Plan will be added to any other shares held by the Participant in certificated form in calculating the number of rights to be issued to the Participant.

10. The Plan Administrator's service fee, if any, and expenses for administering the Plan will be paid for by the Corporation for all purchases made.

11. Each Participant may terminate his or its account under the Plan by so notifying the Plan Administrator via its website at www.amstock.com, by filling out the transaction request form located at the bottom of his or its statement and sending it to the Plan Administrator at American Stock Transfer and Trust Company LLC, P.O. Box 922, Wall Street Station, New York, NY, 10269-0560, Attn: Plan Administration Department, or by calling the Plan Administrator at (888) 333-0212. Such termination will be effective immediately if the Participant's notice is received by the Plan Administrator more than three days prior to any

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dividend or distribution payment date. If notice to terminate the Participant's account is received less than three days prior to a payment date then that dividend or distribution will be reinvested, but all subsequent dividends and distributions will be paid out in cash on all balances. The Plan may be terminated by the Corporation upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Corporation. Upon any termination, the Plan Administrator will cause a certificate or certificates to be issued for the full shares held for the Participant under the Plan and a cash adjustment for any fractional share to be delivered to the Participant without charge to the Participant. If a Participant elects by his or its written or telephonic or internet notice to the Plan Administrator to have the Plan Administrator sell part or all of his or its shares and remit the proceeds to the Participant, the Plan Administrator is authorized to deduct a $15.00 transaction fee plus a $0.10 per share brokerage commission from the proceeds.

12. These terms and conditions may be amended or supplemented by the Corporation at any time but, except when necessary or appropriate to comply with

applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Plan Administrator receives written notice of the termination of the Participant's account under the Plan. Any such amendment may include an appointment by the Plan Administrator in its place and stead of a successor agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Administrator under these terms and conditions so long as such appointment is approved by the Corporation. Upon any such appointment of any agent for the purpose of receiving dividends and distributions, the Corporation will be authorized to pay to such successor agent, for each Participant's account, all dividends and distributions payable on shares of the Corporation held in the Participant's name or under the Plan for retention or application by such successor agent as provided in these terms and conditions.

13. Unless otherwise stated herein, all correspondence concerning the Plan shall be directed to the Plan Administrator by mail at American Stock Transfer and Trust Company LLC, P.O. Box 922, Wall Street Station, New York, NY 10269-0560, or by calling the Plan Administrator, telephonically at (888) 333-0212.

14. The Plan Administrator will at all times act in good faith and use its best efforts within reasonable limits to ensure its full and timely performance of all services to be performed by it under this Plan and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Plan Administrator's negligence, bad faith, or willful misconduct or that of its employees or agents.

15. These terms and conditions shall be governed by the laws of the State of New York, without regard to the conflicts of law principles thereof, to the extent such principles would require or permit the application of the laws of another jurisdiction.

Exhibit (f)(1)

Letter Agreement

May 4, 2011

Wells Fargo Securities, LLC
and Wells Fargo Bank, National Association
One Wachovia Center, NC0600
Charlotte, North Carolina 28288
Attention: Mary Katherine DuBose
Fax: (704) 715-0067

Wells Fargo Bank, National Association
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attention: CDO Trust Services — New Mountain Capital
Fax: (410) 715-3748

Re: (i) That certain Loan and Security Agreement, dated as of October 21, 2009, by and among New Mountain Guardian (Leveraged), L.L.C., as collateral manager (the "Large Facility Collateral Manager"), New Mountain Guardian Debt Funding, L.L.C., as borrower (the "Large Facility Borrower"), Wells Fargo Securities, LLC, as administrative agent (the "Administrative Agent"), each of the lenders from time to time party thereto (the "Lenders"), and Wells Fargo Bank, National Association, as collateral custodian (the "Collateral Custodian") (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Loan and Security Agreement (Large)") and (ii) that certain Loan and Security Agreement, dated as of November 19, 2009, by and among New Mountain Guardian Partners (Leveraged), L.L.C., as collateral manager (the "Small Facility Collateral Manager"), New Mountain Guardian Partners Debt Funding, L.L.C., as borrower (the "Small Facility Borrower" and, together with the Large Facility Borrower the Large Facility Collateral Manager and the Small Facility Collateral Manager, the "Credit Parties"), the Administrative Agent, the Lenders, and the Collateral Custodian (as amended, supplemented or otherwise modified prior to the date hereof, the "Existing Loan and Security Agreement (Small)" and, together with the Existing Loan and Security Agreement (Large), the "Existing Loan and Security Agreements")

Ladies and Gentlemen:

This letter is being delivered in connection with the Existing Loan and Security Agreements. Each of the Administrative Agent, each Lender and the Collateral Custodian agrees to amend and restate the Existing Loan and Security Agreements as one document substantially in the form attached hereto as Exhibit A (the "Amended and Restated Loan and Security Agreement") and to enter into the correlating Safekeeping Agreement substantially in the form attached hereto as Exhibit B, subject to the satisfaction of each of the following conditions in the sole discretion of the Administrative Agent: (1) no material adverse change, effect, event,

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occurrence or development has occurred prior to the Amendment and Restatement Effective Date (as defined in the Amended and Restated Loan and Security Agreement), either individually or in the aggregate, (A) in the capital markets, in general economic, political or financial conditions or in the financial condition, assets, liabilities or operations of the Credit Parties, taken as a whole, which would make it inadvisable or impracticable to enter into the Amended and Restated Loan and Security Agreement or (B) that would materially adversely affect the ability of the Credit Parties, taken as a whole, to perform their obligations under the Amended and Restated Loan and Security Agreement, (2) each of the conditions contained in Section 3.1 of the Amended and Restated Loan and Security Agreement are satisfied or waived in writing by the Administrative Agent on the Amendment and Restatement Effective Date and (3) the Amendment and Restatement Effective Date occurs on or prior to June 15, 2011.

[Signatures Follow]

Signature Page to Letter Agreement

Very truly yours,

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: /s/ Adam Weinstein
Name: Adam Weinstein
Title: Chief Financial Officer and Treasurer

NEW MOUNTAIN GUARDIAN PARTNERS DEBT FUNDING, L.L.C.

By: New Mountain Guardian Partners (Leveraged), L.L.C., its managing member

By: New Mountain Guardian Partners, L.P., its managing member

By: New Mountain Guardian GP, L.L.C., its general partner

By: /s/ Steven B. Klinsky
Name: Steven B. Klinsky
Title: Managing Member

NEW MOUNTAIN GUARDIAN DEBT FUNDING, L.L.C.

By: New Mountain Guardian (Leveraged), L.L.C., its managing member

By: New Mountain Guardian AIV, L.P., its managing member

By: New Mountain Investments III, L.L.C., its general partner

By: /s/ Steven B. Klinsky
Name: Steven B. Klinsky
Title: Managing Member

Signature Page to Letter Agreement

Acknowledged and Agreed :

WELLS FARGO SECURITIES, LLC, as the Administrative Agent

By: /s/ Allan Schmitt
Name: Allan Schmitt
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Jason Powers
Name: Jason Powers
Title: Director

Signature Page to Letter Agreement

Acknowledged and Agreed:

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity but solely as the Collateral Custodian

By: /s/ José M. Rodríguez
Name: José M. Rodríguez
Title: Vice President

Signature Page to Letter Agreement

Exhibit A
To Letter Agreement

EXHIBIT A

[Form of Amended and Restated Loan and Security Agreement]

U.S. $160,000,000

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

by and among

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.,
as the Borrower and as the Collateral Administrator

EACH OF THE LENDERS FROM TIME TO TIME PARTY HERETO,
as the Lenders

WELLS FARGO SECURITIES, LLC,
as the Administrative Agent

and

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

EXHIBITS

SCHEDULES

ANNEXES

AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (as amended, modified, waived, supplemented, restated or replaced from time to time, this "Agreement") is made as of [ ], 2011, by and among:

(1) **NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.,** a Delaware limited liability company, as the borrower (in such capacity, the "Borrower") and as the collateral administrator (in such capacity, the "Collateral Administrator");

(2) **EACH OF THE LENDERS FROM TIME TO TIME PARTY HERETO** (together with its respective successors and assigns in such capacity, each a "Lender", collectively, the "Lenders");

(3) **WELLS FARGO SECURITIES, LLC,** a Delaware limited liability company (together with its successors and assigns, "WFS"), as the administrative agent hereunder (together with its successors and assigns in such capacity, the "Administrative Agent"); and

(4) **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association ("Wells Fargo"), not in its individual capacity but as the collateral custodian (together with its successors and assigns in such capacity, the "Collateral Custodian").

R E C I T A L S

WHEREAS, (i) on October 21, 2009, New Mountain Guardian Debt Funding L.L.C. (the "Existing Large Facility Borrower") entered into that certain Loan and Security Agreement with New Mountain Guardian (Leveraged), L.L.C., as collateral manager, the Lenders, the Administrative Agent and the Collateral Custodian (the "Existing Large Facility Loan and Security Agreement") and (ii) on November 19, 2009, New Mountain Guardian Partners Debt Funding, L.L.C. (the "Existing Small Facility Borrower" and, together with the Existing Large Facility Borrower, the "Existing Borrowers") entered into that certain Loan and Security Agreement with New Mountain Guardian Partners (Leveraged), L.L.C., as collateral manager, the Lenders, the Administrative Agent and the Collateral Custodian (the "Existing Small Facility Loan and Security Agreement" and, together with the Existing Large Facility Loan and Security Agreement, the "Existing Loan and Security Agreements");

WHEREAS, the Existing Borrowers have merged with and into the Borrower and the Borrower is the surviving entity of such mergers (the "SPV Mergers");

WHEREAS, the Borrower has requested the Lenders to amend and restate the Variable Funding Notes (as defined in the Existing Loan and Security Agreements) and continue to extend credit thereunder by making Advances (as defined below) under the Variable Funding Notes (as defined below) from time to time prior to the Revolving Period End Date (as defined below) for the general business purposes of the Borrower; and

WHEREAS, the Lenders are willing to continue extending such credit to the Borrower on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, based upon the foregoing Recitals, the mutual premises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree to amend and restate the Existing Loan and Security Agreements as follows:

ARTICLE I.

DEFINITIONS

Section 1.1. Certain Defined Terms.

Certain capitalized terms used throughout this Agreement are defined in this Section 1.1. As used in this Agreement and its schedules, exhibits and other attachments, unless the context requires a different meaning, the following terms shall have the following meanings:

"1940 Act": The Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"Account": Any of the Collateral Account, the Borrower Collection Account, the Principal Collection Account, the Interest Collection Account, the Excess Future Funding Account and any sub-accounts thereof reasonably deemed appropriate or necessary by the Administrative Agent for convenience in administering such accounts.

"Accreted Interest": Interest accrued on a Loan that is added to the principal amount of such Loan instead of being paid as it accrues.

"Accrual Period": With respect to each Payment Date, the period from the immediately preceding Payment Date to the current Payment Date.

"Additional Amount": The meaning specified in Section 2.13(a).

"Additional Loans": All Loans that become part of the Collateral after the Closing Date.

"Adjusted Balance": For any Loan as of any date of determination, an amount equal to the product of (a) the OLB of such Loan as of such date of determination multiplied by (b) the Advance Rate for such Loan as of such date of determination; *provided* that the "Adjusted Balance" of any Loan that is not an Eligible Loan shall be zero.

"Adjusted Net Leverage Ratio": The collective reference to the Adjusted Net Senior Leverage Ratio and the Adjusted Net Non-First Lien Leverage Ratio.

"Adjusted Net Non-First Lien Leverage Ratio": With respect to any Non-First Lien Loan for any Relevant Test Date, the ratio of (a) the sum of (i) the product of (x) the Adjusted Non-First Lien Debt of the applicable Obligor and (y) the Advance Rate with respect to such Loan as of such date and (ii) the par amount of all indebtedness of the related Obligor that is senior to such Adjusted Non-First Lien Debt in right of payment or with respect to a lien on collateral minus (iii) the Unrestricted Cash of such Obligor as of such date to (b) EBITDA of such Obligor as of such date, as calculated by the Borrower and Collateral Administrator in good faith using

information from and calculations consistent with the relevant compliance statements and financial reporting packages provided by such Obligor as per the requirements of the Underlying Instruments.

"Adjusted Net Senior Leverage Ratio": With respect to any First Lien Loan for any Relevant Test Date, the ratio of (a) the product of (x) the Adjusted Senior Debt of the applicable Obligor minus the Unrestricted Cash of such Obligor as of such date and (y) the Advance Rate with respect to such Loan as of such date to (b) EBITDA of such Obligor as of such date, as calculated by the Borrower and Collateral Administrator in good faith using information from and calculations consistent with the relevant compliance statements and financial reporting packages provided by such Obligor as per the requirements of the Underlying Instruments.

"Adjusted Non-First Lien Debt": With respect to any Obligor on any Relevant Test Date, the product of (a) the sum of the aggregate principal amounts of all indebtedness of such Obligor (including the related Loan and as reflected on the most recent financial statements delivered by such Obligor to the Borrower) outstanding on such date that is *pari passu* with such Loan in right of payment or with respect to a lien on collateral and (b) the lesser of (i) the Purchase Price for the related Loan (expressed as a percentage of par) and (ii) the Assigned Value of the related Loan.

"Adjusted Senior Debt": With respect to any Obligor on any Relevant Test Date, the product of (a) the sum of the aggregate principal amounts of all indebtedness of such Obligor (including the related Loan and as reflected on the most recent financial statements delivered by such Obligor to the Borrower) outstanding on such date that is *pari passu* with such Loan in right of payment or with respect to a lien on collateral and (b) the lesser of (i) the Purchase Price for the related Loan (expressed as a percentage of par) and (ii) the Assigned Value of the related Loan; *provided* that, with respect to any Obligor who has any Super Senior Indebtedness on any Relevant Test Date, the "Adjusted Senior Debt" of such Obligor shall be (i) the product of the amounts described in clauses (a) and (b) above plus (ii) the aggregate outstanding principal amount of such Super Senior Indebtedness on such date.

"Administration Agreement": The administration agreement, dated as of [ ], 2011, among the Borrower, the BDC and New Mountain Finance Administration, L.L.C., a Delaware limited liability company, as the same may be amended, restated, modified or supplemented from time to time; *provided* that, a draft of any such amendment, restatement, modification or supplement shall be delivered to the Administrative Agent and, if the Administrative Agent determines in its sole discretion that it is adverse to any Secured Party, the same shall not be effective without the prior written consent of the Administrative Agent.

"Administrative Agent": WFS, in its capacity as administrative agent, together with its successors and assigns, including any successor appointed pursuant to Section 11.6.

"Administrative Expenses": All amounts (including indemnification payments) due or accrued and payable by the Borrower to any Person pursuant to any Transaction Document or the Administration Agreement, including, but not limited to, any third party service provider to the Borrower, any Lender or the Collateral Custodian, any Approved Broker Dealer or Approved Valuation Firm, accountants, agents and counsel of any of the foregoing for reasonable fees and

expenses or any other Person in respect of any other reasonable fees, expenses, or other payments (including indemnification payments).

"Advance": The meaning specified in Section 2.1(c).

"Advance Date": With respect to any Advance, the date on which such Advance is made.

"Advance Rate": With respect to (a) any First Lien Loan, the First Lien Loan Advance Rate for such Loan and (b) any Non-First Lien Loan, the Non-First Lien Loan Advance Rate for such Loan.

"Advances Outstanding": On any day, the aggregate principal amount of all Advances outstanding on such day, after giving effect to all repayments of Advances and the making of new Advances on such day.

"Affected Party": The Administrative Agent, each Lender, all assignees and participants of each Lender and any sub-agent of the Administrative Agent.

"Affiliate": With respect to a Person, means any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, or is a director or officer of such Person; *provided* that for purposes of determining whether any Loan is an Eligible Loan or any Obligor is an Eligible Obligor, the term Affiliate shall not include any Affiliate relationship which may exist solely as a result of direct or indirect ownership of, or control by, a common Financial Sponsor. For purposes of this definition, "control," when used with respect to any specified Person means the possession, directly or indirectly, of the power to vote 20% or more of the voting securities of such Person or to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Aggregate Adjusted Balance": On any date of determination, the sum of the Adjusted Balances of all Loans included as part of the Collateral on such date.

"Agreement": The meaning specified in the Preamble.

"AIV": New Mountain Guardian AIV, L.P., a Delaware limited partnership.

"AIV Holding": New Mountain Finance AIV Holdings Corporation, a Delaware corporation.

"AIV Limited Partnership Agreement": The Amended and Restated Limited Partnership Agreement of the AIV, dated as of December 1, 2008, as the same may be amended, restated, modified or supplemented from time to time.

"Amendment and Restatement Effective Date": The date on which the conditions precedent set forth in Section 3.1 shall be satisfied or waived.

"Amortization Period": The period beginning on the day after the occurrence of either (i) the Revolving Period End Date or (ii) the Termination Date and ending on the date on which the Commitments have been reduced to zero and the Obligations have been paid in full.

"Applicable Law": For any Person or property of such Person, all existing and future laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances and orders by any Governmental Authority which are applicable to such Person or property (including, without limitation, predatory lending laws, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System), and applicable judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

"Applicable Spread": A rate per annum equal to 3.00%;*provided* that (i) after the first anniversary of the Closing Date, the Applicable Spread may be increased by a rate per annum not to exceed to 0.50% upon the occurrence of an Applicable Spread Increase Event; (ii) if the Applicable Spread has been increased following an Applicable Spread Increase Event, the Applicable Spread shall, subject to the limitations in clauses (iii) and (iv) of this definition, be reduced to a rate equal to 3.00% upon the first Business Day following the occurrence of an Applicable Spread Decrease Event; (iii) any adjustment to the Applicable Spread shall remain effective until the later of (A) the next Applicable Spread Event and (B) the date that is 364 days after such adjustment; (iv) there shall only be one (1) Applicable Spread Event during any 364-day period; (v) so long as no Event of Default has occurred and is continuing, the Applicable Spread shall not be greater than a rate per annum equal to 4.50%; and (vi) at no time shall the Applicable Spread be less than a rate of 3.00% per annum.

"Applicable Spread Decrease Event": The daily average bid price of the S&P/LSTA U.S. Leveraged Loan 100 Index (as found at www.lsta.org) is greater than or equal to eighty (80) for a period of thirty (30) consecutive Business Days and, on such 30th Business Day, no Event of Default has occurred and is continuing.

"Applicable Spread Event": An Applicable Spread Decrease Event or an Applicable Spread Increase Event.

"Applicable Spread Increase Event": The daily average bid price of the S&P/LSTA U.S. Leveraged Loan 100 Index (as found at www.lsta.org) is less than seventy-five (75) for a period of ten (10) consecutive Business Days.

"Approved Broker Dealer": Each broker dealer listed on part 1 of Schedule II hereto.

"Approved Valuation Firm": Each valuation firm listed on part II of Schedule II hereto.

"Asset Coverage Ratio": The ratio, determined on a consolidated basis, without duplication and in accordance with GAAP of (a) the fair market value of the total assets of the BDC and its consolidated Subsidiaries as required by, and in accordance with, GAAP and Applicable Law and any orders of the Securities and Exchange Commission issued to the BDC, to be determined by the Board of Directors of the BDC and reviewed by its auditors, less all liabilities (other than Indebtedness, including Indebtedness hereunder) of the BDC and its

consolidated Subsidiaries, to (b) the aggregate amount of Indebtedness of the BDC and its consolidated Subsidiaries.

"Asset Rejection Percentage": The ratio of (a)(i) the number of Partially Eligible Loans submitted by the Borrower to the Administrative Agent to be included in the Collateral which are rejected by the Administrative Agent pursuant to clause (B) of the definition of "Eligible Loan" plus (ii) the number of Eligible Loans which are given an Assigned Value of less than fifty (50) percent of their respective Purchase Price by the Administrative Agent pursuant to clause (a) of the definition of "Assigned Value" to (b) the total number of Partially Eligible Loans submitted by the Borrower to the Administrative Agent to be included in the Collateral; *provided* that, until fifteen (15) Partially Eligible Loans have been submitted to the Administrative Agent by the Borrower, the Asset Rejection Percentage shall be zero.

"Assigned Value":

(a) With respect to each Loan, as of the Closing Date (with respect to any Loan included in the Collateral on such date) or any subsequent Funding Date (with respect to any Loan added to the Collateral thereafter), the value of such Loan (expressed as a percentage of par) as determined by the Administrative Agent in its sole discretion as of the Closing Date (with respect to any Loan included in the Collateral on such date) or any subsequent Funding Date (with respect to any Loan added to the Collateral thereafter). For the avoidance of doubt, the "Assigned Value" of any Loan may not be adjusted absent a Value Adjustment Event with respect to such Loan.

(b) If a Value Adjustment Event of the type described in clauses (b) or (d) of the definition thereof with respect to such Loan occurs, the "Assigned Value" of such Loan will, automatically and without any action by the Administrative Agent, be zero.

(c) If a Value Adjustment Event of the type described in clauses (a), (c) or (e) of the definition thereof with respect to such Loan occurs, the "Assigned Value" of such Loan may be amended by the Administrative Agent in its sole discretion in accordance with the following methodology:

(i) if such Loan is a Priced Loan, the value assigned to such Loan by Markit (expressed as a percentage of par);*provided* that, if the Administrative Agent, in its sole discretion, determines that the value assigned by Markit is not current or accurate, the value for such Loan (expressed as a percentage of par) shall be determined by (A) the average of the bid side prices obtained from three (3) Approved Broker Dealers, (B) if a value cannot be obtained pursuant to the means contemplated by clause (A), the lower of the bid side prices obtained from two (2) Approved Broker Dealers or (C) if a value cannot be obtained pursuant to the means contemplated by clause (A) or (B), the bid side price obtained from one (1) Approved Broker Dealer; or

(ii) if such Loan is not a Priced Loan, or if the Administrative Agent elects to determine the value of a Loan under clause (c)(i) by requesting bid prices from Approved Broker Dealers and no bid prices are obtained or the Administrative Agent, in its sole discretion, determines any such bid price is not accurate, the value of such Loan (expressed as a

percentage of par) as determined by the Administrative Agent in its sole discretion as of the date of the relevant Value Adjustment Event.

The amended Assigned Value of each Loan shall promptly be communicated by the Administrative Agent to the Borrower pursuant to an Assigned Value Notice.

(d) In the event the Borrower disagrees with the Administrative Agent's determination of the Assigned Value of a Loan pursuant to clause (c)(ii) above, the Borrower may (at its expense) retain any Approved Valuation Firm to value such Loan and if the value (expressed as a percentage of par) determined by such Approved Valuation Firm is greater than the Administrative Agent's determination of the Assigned Value, such Approved Valuation Firm's valuation shall become the Assigned Value of such Loan; *provided* that (A) such Approved Valuation Firm must value such Loan within twenty (20) days after the Borrower's receipt of the related

Assigned Value Notice, and (B) the Assigned Value of such Loan shall be the value (expressed as a percentage of par) determined by the Administrative Agent pursuant to clause (c)(ii) above until such Approved Valuation Firm has determined its value.

"Assigned Value Notice": A notice delivered by the Administrative Agent to the Borrower and the Collateral Custodian specifying the value of a Loan determined in accordance with terms of the definition of "Assigned Value" in this Section 1.1, which notice shall include the reasons supporting the Administrative Agent's determination that a Value Adjustment Event has occurred.

"Availability": At any time, an amount equal to the excess, if any, of (i) the Maximum Availability minus (ii) the Advances Outstanding at such time; *provided* that (A) at all times during the continuation of a Curable BDC Asset Coverage Event, the Availability shall be zero and (B) at all times on and after the earlier to occur of the Revolving Period End Date, the Revolving Period Termination Date or the Termination Date, the Availability shall be zero.

"Available Capital": On any date of determination, the Remaining Capital Commitments (as defined in the Fund Limited Partnership Agreement) on such date less the amount on such date of any outstanding liability under any guaranty or any borrowing by the Fund or any Alternative Investment Vehicle (as defined in the Fund Limited Partnership Agreement) in respect of which the partners of the Fund would be required to make a Capital Contribution (as defined in the Fund Limited Partnership Agreement) while such guarantees or borrowing remain outstanding.

"Available Funds": With respect to any Payment Date, all amounts on deposit in the Collection Account (including, without limitation, any Collections).

"Bankruptcy Code": The United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, *et seq.*), as amended from time to time.

"Base Rate": For any day, the rate per annum (rounded upward, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Federal Funds Rate in effect on such day plus ½ of 1% and (b) the Prime Rate in effect on such day.

"BDC": New Mountain Finance Corporation, a Delaware corporation that intends to elect to be regulated as a business development company under the 1940 Act.

"BDC Reporting Date": Any date on which the BDC publically files its financial statements.

"Benefit Plan": Any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title IV of ERISA and in respect of which the Borrower or any ERISA Affiliate of the Borrower is, or at any time during the preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"Borrower": The meaning specified in the Preamble.

"Borrower Collection Account": A Securities Account created and maintained on the books and records of the Collateral Custodian entitled "Borrower Collection Account" in the name of the Borrower and subject to the prior Lien of the Administrative Agent for the benefit of the Secured Parties.

"Borrower LLC Agreement": The Amended and Restated Limited Liability Company Agreement of the Borrower, dated as of the date hereof, as the same may be amended, restated, modified or supplemented from time to time.

"Borrower Payment Conditions": Conditions that will be satisfied on the date of any proposed distribution pursuant to Section 2.7(c) if each of the Administrative Agent and the Collateral Custodian has received written notice from the Collateral Administrator (a) certifying the amount of the Market Discount and Prepayment Gains in the Principal Collection Account, and (b) including reasonable backup information supporting the designation of amounts on deposit in the Principal Collection Account on the applicable Business Day as Market Discount and Prepayment Gains.

"Borrower's Notice": Any (a) Funding Notice or (b) Reinvestment Notice.

"Borrowing Base": As of any Measurement Date, an amount equal to (a) the Aggregate Adjusted Balance, after giving effect to all Loans added to and removed from the Collateral on such date plus (b) the aggregate amount on deposit in the Principal Collection Account reasonably determined by the Collateral Custodian to be payable to the Borrower on the next following Payment Date in accordance with Section 2.7 or Section 2.8, as applicable, minus (c) the Large Obligor Coverage Amount, minus (d) the Excess Concentration Amount, minus (e) the Maximum Gain Distribution Amount.

"Borrowing Base Certificate": Each certificate, in the form of Exhibit A-4, required to be delivered by the Borrower on each Measurement Date.

"Borrowing Base Deficiency": A condition occurring on any date with respect to which the Advances Outstanding exceeds the Borrowing Base.

"Breakage Costs": With respect to any Lender, any amount or amounts as shall compensate such Lender for any loss, cost or expense incurred by such Lender (as determined by

the applicable Lender in such Lender's reasonable discretion, but excluding the Applicable Spread) as a result of a payment by the Borrower of Advances Outstanding or Interest. All Breakage Costs shall be due and payable hereunder on each Payment Date in accordance with Section 2.7 and Section 2.8. The determination by the applicable Lender of the amount of any such loss, cost or expense shall be conclusive absent manifest error.

"Business Day": Any day (other than a Saturday or a Sunday) on which banks are not required or authorized to be closed in New York, New York, the location of the Collateral Custodian's Corporate Trust Office or, solely with respect to the determination of the LIBOR Rate, London, England.

"Cash": Cash or legal currency of the United States of America as at the time shall be legal tender for payment of all public and private debts.

"Certificated Security": The meaning specified in Section 8-102(a)(4) of the UCC.

"Change of Control": Any of the following:

(a) the creation, imposition or, to the knowledge of the Borrower or the Collateral Administrator, threatened imposition of any Lien on any limited liability company membership interest in the Borrower or the Collateral Administrator;

(b) at any time prior to the IPO Date, the AIV Limited Partnership Agreement shall fail to be in full force and effect;

(c) the Collateral Administrator LLC Agreement shall fail to be in full force and effect;

(d) the failure of the Borrower to be the Collateral Administrator;

(e) at any time prior to the IPO Date, New Mountain Investments III, L.L.C. or any Affiliate thereof shall fail to be the general partner of either the Fund or the AIV;

(f) except as permitted under Section 2.15, the dissolution, termination or liquidation in whole or in part, transfer or other disposition of all or substantially all of the assets of the Collateral Administrator;

(g) if AIV Holding owns any of the limited liability company interests in the Collateral Administrator, the failure of the AIV to own 100% of the capital stock of AIV Holding;

(h) the failure of AIV Holding, the BDC and New Mountain Finance Advisors BDC to collectively own 100% of the limited liability company interests in the Collateral Administrator;

(i) New Mountain Finance Advisors BDC shall own 10% or more of the limited liability company interests in the Collateral Administrator;

(j) any Taxable Entity Agreement shall fail to be in full force and effect; or

(k) at any time prior to the IPO Date, the failure of New Mountain Guardian Partners, L.P. to own 100% of the stock of the BDC.

"Change of Tax Law": Any change in application or public announcement of an official position under or any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of any jurisdiction in which an Obligor, the Collateral Custodian or the Borrower, as applicable, is organized, or any political subdivision or taxing authority of any of the foregoing, affecting taxation, or change in the official application, enforcement or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), or any other action taken by a taxing authority or court of competent jurisdiction in the relevant jurisdiction, or the official proposal of any such action.

"Clearing Agency": An organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Corporation": The meaning specified in Section 8-102(a)(5) of the UCC.

"Closing Date": October 21, 2009.

"Code": The Internal Revenue Code of 1986, as amended from time to time.

"Collateral": All of the Borrower's right, title and interest in, to and under (in each case, whether now owned or existing, or hereafter acquired or arising) all Accounts, General Intangibles, Instruments and Investment Property and any and all other property of any type or nature owned by it, including but not limited to:

(a) all Loans, Investments, Permitted Investments and Equity Securities, all payments thereon or with respect thereto and all contracts to purchase, commitment letters, confirmations and due bills relating to any Loans, Permitted Investments or Equity Securities;

(b) the Accounts and all Cash and Financial Assets credited thereto and all income from the investment of funds therein;

(c) all Transaction Documents to which the Borrower is a party;

(d) all funds delivered to the Collateral Custodian (directly or through an Intermediary or bailee);

(e) all other assets of the Borrower; and

(f) all accounts, accessions, profits, income benefits, proceeds, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Borrower described in the preceding clauses;

provided that, "Collateral" shall not include any equity interests owned by the Borrower in any SPV.

"Collateral Account": A Securities Account created and maintained on the books and records of the Collateral Custodian entitled "Collateral Account" in the name of the Borrower and subject to the prior Lien of the Administrative Agent for the benefit of the Secured Parties.

"Collateral Administrator": Until such time, if any, as a new Collateral Administrator is appointed by the Administrative Agent pursuant toSection 6.11, the meaning specified in the Preamble and, thereafter, such appointee.

"Collateral Administrator LLC Agreement": Until such time, if any, as a new Collateral Administrator is appointed by the Administrative Agent pursuant to Section 6.11, the Borrower LLC Agreement and, thereafter, the organizational documents of such appointee.

"Collateral Administrator Termination Event": The occurrence of any one of the following:

(a) any failure by the Collateral Administrator to make any payment, transfer or deposit into the Collection Account as required by this Agreement which continues unremedied for a period of two (2) Business Days;

(b) any failure on the part of the Collateral Administrator duly to observe or perform in any material respect any covenants or agreements of the Collateral Administrator set forth in any Transaction Document to which the Collateral Administrator is a party (including, without limitation, any material delegation of the Collateral Administrator's duties) and the same continues unremedied after any applicable cure period;

(c) the failure of the Collateral Administrator to make any payment when due (after giving effect to any related grace period) with respect to any recourse debt or other obligations, which debt or other obligations are in excess of United States $5,000,000, individually or in the aggregate, or the occurrence of any event or condition that has resulted in the acceleration of such recourse debt or other obligations, whether or not waived;

(d) an Insolvency Event shall occur with respect to the Collateral Administrator;

(e) the occurrence of an Event of Default described in any of Section 9.1(a) or Section 9.1(d);

(f) the Collateral Administrator shall cease to be the Collateral Administrator;

(g) the occurrence or existence of any change with respect to the Collateral Administrator which the Administrative Agent in its sole discretion determines has a Material Adverse Effect;

(h) at any time prior to the IPO Date, any of the following events occurs with respect to the General Partner:

(i) a breach of its obligation to make capital contributions or fund its expenses in accordance with the Limited Partnership Agreements; or

(ii) a finding by any court or governmental body of competent jurisdiction in a final, non-appealable judgment, or an admission by it in a settlement of any lawsuit, that it has committed fraud, willful misconduct, a material breach of its duties under the Limited Partnership Agreements, or a material violation of applicable securities laws, in each case which has a material adverse effect on the business of the Fund or the ability of the General Partner to perform its duties to the Fund; or

(iii) a conviction of, or plea of guilty or *nolo contendere* by the General Partner in respect of a felony in connection with any activity of the Fund or any of its Subsidiaries or Affiliates.

(i) any failure by the Collateral Administrator to deliver any Required Reports hereunder on or before the date occurring two (2) Business Days after the date such report is required to be made or given, as the case may be, under the terms of this Agreement;

(j) any representation, warranty or certification made by the Collateral Administrator in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made, which has a Material Adverse Effect and which continues to be unremedied for a period of ten (10) days after the earlier to occur of (i) the date on which written notice of such incorrectness shall have been given to the Collateral Administrator by the Administrative Agent and (ii) the date on which a Responsible Officer of the Collateral Administrator acquires knowledge thereof;

(k) the rendering against the Collateral Administrator of one or more final judgments, decrees or orders for the payment of money in excess of United States $5,000,000, individually or in the aggregate, and the continuance of such judgment, decree or order unsatisfied and in effect for any period of more than sixty (60) consecutive days without a stay of execution;

(l) any Change of Control described in clauses (a), (c), (d), (f), (g), (h), (i), (j) or (k) of the related definition occurs with respect to the Collateral Administrator;

(m) the Collateral Administrator LLC Agreement shall fail to be in full force and effect or shall, except as otherwise permitted by this Agreement, have been amended without the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld);

(n) at any time prior to the IPO Date, the Available Capital is less than $35,250,000;

(o) at any time prior to the IPO Date, the sum of (i) aggregate value of the investments of the New Mountain Funds, valued on the basis that such investments would be valued in each such New Mountain Fund's reports to its partners and (ii) the aggregate remaining capital commitments of the New Mountain Funds, is less than $1,000,000,000; or

(p) any legal action that could reasonably be expected to have Material Adverse Effect is commenced or, the knowledge of either the Borrower or the BDC, threatened against either the Borrower or the BDC in its capacity as a co-issuer under the registration

statement filed with the Securities and Exchange Commission in connection with the initial public offering of the capital stock in the BDC; or

(q) any of the following events occurs:

(i) the BDC or, at any time when it owns any of the limited liability company interests in the Borrower, AIV Holding incurs any Indebtedness; or

(ii) the BDC or, at any time when it owns any of the limited liability company interests in the Borrower, AIV Holding engages in any activity other than (A) in connection with the Administration Agreement, (B) being the collateral administrator under any credit or loan facility entered into by an SPV, (C) owning equity interests in the Borrower (or any activity incidental thereto), (D) any activity necessary to effectuate an Offering, (E) payment of any Offering Expenses, (F) as required in connection with compliance with federal securities laws or (G) offering or providing managerial assistance to any portfolio company of the BDC or the Borrower.

"Collateral Administrator Termination Notice": The meaning specified in Section 6.11

"Collateral Custodian": Wells Fargo Bank, National Association, not in its individual capacity, but solely as Collateral Custodian, its successor in interest pursuant to the Custodial Agreement or such Person as shall have been appointed Collateral Custodian by the Administrative Agent in its sole discretion after the removal or resignation of the Collateral Custodian pursuant to the Custodial Agreement.

"Collateral Custodian Fee": The fees, expenses and indemnities set forth as such in the Collateral Custodian Fee Letter and as provided for in this Agreement or any other Transaction Document.

"Collateral Custodian Fee Letter": The Fee Schedule, updated as of October 20, 2009, as acknowledged by New Mountain Capital, L.L.C.

"Collection Account": Collectively, the Interest Collection Account and the Principal Collection Account.

"Collection Period": The period from but excluding the Determination Date preceding the previous Payment Date to and including the Determination Date preceding the current Payment Date.

"Collections": (a) All cash collections and other cash proceeds of any Collateral, including, without limitation or duplication, any Interest Collections, Principal Collections, amendment fees, late fees, prepayment fees, waiver fees or other amounts received in respect thereof (but excluding any Excluded Amounts) and (b) interest

earnings on Permitted Investments or otherwise in any Account.

"Commitment": With respect to each Lender, the commitment of such Lender to make Advances in accordance herewith in an amount not to exceed (a) prior to the earlier to occur of the Revolving Period End Date or the Termination Date, the dollar amount set forth opposite

such Lender's name on Annex B hereto or the amount set forth as such Lenders "Commitment" on Schedule I to the Joinder Supplement relating to such Lender, as applicable, and (b) on or after the earlier to occur of the Revolving Period End Date or the Termination Date, zero; *provided* that, the amount of each Lender's commitment to make Advances during the continuation of a Curable BDC Asset Coverage Event shall be zero.

"Commitment Reduction Fee": With respect to any reduction of the Facility Amount pursuant to Section 2.3(a), an amount equal to the product of (a) the amount of such reduction multiplied by (b) the applicable Commitment Reduction Percentage; *provided* that, if the Asset Rejection Percentage prior to the date of such reduction is greater than 50%, the Commitment Reduction Fee shall be zero.

"Commitment Reduction Percentage": (a) On or prior to October 21, 2011, a rate per annum equal to 3.0%, (b) after October 21, 2011 and on or prior to October 21, 2012, a rate per annum equal to 2.0%, (c) after October 21, 2012 and on or prior to August 22, 2013, a rate per annum equal to 1.0% and (d) after August 22, 2013, zero.

"Contractual Obligation": With respect to any Person, any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or to which either is subject.

"Corporate Trust Office": The designated corporate trust office of the Collateral Custodian, currently located at 9062 Old Annapolis Road, Columbia, Maryland, or such other address within the United States as the Collateral Custodian may designate from time to time by notice to the Administrative Agent.

"Covenant Compliance Period": The period beginning on the Closing Date and ending on the date on which the Commitments have been terminated and the Obligations have been paid in full.

"Credit and Collection Policy": The written credit policies and procedures manual of the Collateral Administrator set forth on Schedule IV, as such credit and collection policy may be as amended or supplemented from time to time in accordance with Section 5.1(h).

"Curable BDC Asset Coverage Event": The meaning specified in Section 5.1(u).

"Custodial Agreement": The Safekeeping Agreement, dated as of the date hereof, among the Borrower, the Administrative Agent and the Collateral Custodian, as the same may be amended, modified, waived, supplemented or restated from time to time.

"Default": Any event (other than an event described by Section 9.1(m)) that, with the giving of notice or the lapse of time, or both, would become an Event of Default.

"Delayed Draw Loan": A Loan that requires one or more future advances to be made by the Borrower and which does not permit the re-borrowing of any amount previously repaid by the related Obligor; provided that, any such Loan will be a Delayed Draw Loan only until all

commitments by the Borrower to make advances to the applicable Obligor expire or are terminated or reduced to zero.

"Determination Date": The date that is five (5) days before each Payment Date.

"DIP Loan": Any Loan (i) with respect to which the related Obligor is a debtor-in-possession as defined under the Bankruptcy Code, (ii) which has the priority allowed pursuant to Section 364 of the Bankruptcy Code and (ii) the terms of which have been approved by a court of competent jurisdiction (the enforceability of which is not subject to any pending contested matter or proceeding).

"Discretionary Sale": The meaning specified in Section 2.15.

"Discretionary Sale Date": With respect to any Discretionary Sale, the Business Day on which such Discretionary Sale occurs.

"Distribution Conditions": Conditions that will be satisfied on the date of any proposed distribution pursuant to Section 2.7(b) or Section 2.7(c) if (i) the Availability is greater than zero, (ii) no Default or Event of Default or Curable BDC Asset Coverage Event has occurred and is continuing, and (iii) the quotient of (A) all Outstanding Advances divided by (B) the sum of the product of (x) the market value of each Eligible Loan (expressed as a percentage of par and determined as set forth below) and (y) the principal balance of such Loan outstanding as of such date of determination, is less than or equal to sixty-five (65) percent, for each of clauses (i), (ii) and (iii), determined both immediately before and after giving effect to such proposed distribution.

For purposes of this definition, the market value of each Eligible Loan shall be determined in accordance with the following valuation procedures:

(i) if such Eligible Loan is a Priced Loan, the value assigned to such Eligible Loan by Markit (expressed as a percentage of par); *provided* that, if the Administrative Agent, in its sole discretion, determines that the value assigned by Markit is not current or accurate, the value for such Eligible Loan (expressed as a percentage of par) shall be determined by (A) the average of the bid side prices obtained by the Administrative Agent from three (3) Approved Broker Dealers, (B) if a value cannot be obtained pursuant to the means contemplated by clause (A), the lower of the bid side prices obtained by the Administrative Agent from two (2) Approved Broker Dealers or (C) if a value cannot be obtained pursuant to the means contemplated by clause (A) or (B), the bid side price obtained by the Administrative Agent from one (1) Approved Broker Dealer; or

(ii) if such Eligible Loan is not a Priced Loan, the value of such Eligible Loan (expressed as a percentage of par) will be as determined by the Collateral Administrator who shall promptly communicate such assigned market value to the Administrative Agent. In the event the Administrative Agent disagrees with the Collateral Administrator's determination of the market value of an Eligible Loan pursuant to this paragraph, the Administrative Agent may (at the Borrower's expense) retain any Approved Valuation Firm to value such Eligible Loan and if the value (expressed as a percentage of par) determined by such Approved Valuation Firm is lower than the Borrower's determination of the market value, such Approved Valuation Firm's

valuation shall become the market value of such Eligible Loan for purposes of this paragraph;*provided* that, until such Approved Valuation Firm has determined its value, the market value of such Loan shall be the value (expressed as a percentage of par) determined by the Administrative Agent and communicated to the Borrower pursuant to an Assigned Value Notice.

"Dollars": Means, and the conventional "$" signifies, the lawful currency of the United States.

"Due Diligence Fee": A fee in an amount equal to $25,000, due and payable pursuant toSection 2.11(b).

"EBITDA": With respect to the last four full fiscal quarters for which financial statements have been provided to the Borrower by or on behalf of any Obligor with respect to the related Loan, the meaning of "EBITDA", "Adjusted EBITDA" or any comparable definition in the Underlying Instruments for each such Loan, and in any case that "EBITDA", "Adjusted EBITDA" or such comparable definition is not defined in such Underlying Instruments, an amount, for the Obligor on such Loan and any parent that is obligated pursuant to the Underlying Instruments for such Loan (determined on a consolidated basis without duplication in accordance with GAAP) equal to earnings from continuing operations for such period plus (a) interest expense, (b) income taxes, (c) depreciation and amortization for such four fiscal quarter period (to the extent deducted in determining earnings from continuing operations for such period), (d) amortization of intangibles (including, but not limited to, goodwill, financing fees and other capitalized costs), other non-cash charges and organization costs, (e) extraordinary losses in accordance with GAAP, (f) one-time, non-recurring non-cash charges consistent with the compliance statements and financial reporting packages provided by the Obligors, and (g) and any other item the Borrower and the Administrative Agent mutually deem to be appropriate; *provided* that with respect to any Obligor for which four full fiscal quarters of economic data are not available, EBITDA shall be determined for such Obligor based on annualizing the economic data from the reporting periods actually available.

"Eligible Loan": Each Loan (A) for which the Administrative Agent and the Collateral Custodian have received (or, in accordance with clause (b) of the definition of "Required Loan Documents", will receive) the related Required Loan Documents; (B) that has been approved by the Administrative Agent in its sole discretion no less recently than three (3) Business Days prior to the applicable Advance Date; and (C) that satisfies each of the following eligibility requirements (unless the Administrative Agent in its sole discretion agrees to waive any such eligibility requirement with respect to such Loan):

(a) [intentionally omitted];

(b) such Loan is denominated and payable only in Dollars in the United States and does not permit the currency in which such Loan is payable to be changed; *provided* that up to five (5) percent of Eligible Loans may be denominated in a currency other than Dollars;

(c) [intentionally omitted];

(d) the acquisition of such Loan will not cause the Borrower to be required to register as an investment company under the 1940 Act;

(e) such Loan does not constitute a DIP Loan;

(f) the primary Underlying Asset for such Loan is not real property;

(g) such Loan is in the form of and is treated as indebtedness of the related Obligor for United States federal income tax purposes;

(h) as of the date such Loan is first included as part of the Collateral, such Loan is not delinquent in payment and, since its acquisition by the Borrower, such Loan has never been delinquent in payment of either principal or interest after taking into account any applicable grace or cure period;

(i) such Loan and any Underlying Assets comply in all material respects with all Applicable Laws;

(j) such Loan is eligible under its Underlying Instruments (giving effect to the provisions of Sections 9-406 and 9-408 of the UCC) to be sold to the Borrower and to have a security interest therein granted to the Administrative Agent, as agent for the Secured Parties;

(k) such Loan, together with the Underlying Instruments related thereto, (i) is, to the knowledge of the Borrower following Borrower's completion of customary due diligence, in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms, subject to customary bankruptcy, insolvency and equity limitations, (ii) is not subject to any litigation, dispute or offset, and (iii) contains provisions substantially to the effect that the Obligor's payment obligations thereunder are absolute and unconditional without any right of rescission, setoff, counterclaim or defense for any reason against the Borrower or any assignee;

(l) such Loan (i) was originated and underwritten, or purchased or otherwise acquired and re-underwritten, by the Borrower in accordance with the Credit and Collection Policy and (ii) is fully documented;

(m) the Borrower has good and marketable title to, and is the sole owner of, such Loan, and (ii) the Borrower has granted to the Administrative Agent a valid and perfected first priority (subject to Permitted Liens) security interest in the Loan and Underlying Instruments, for the benefit of the Secured Parties;

(n) such Loan, and any payment made with respect to such Loan, is not subject to any withholding tax unless the Obligor thereon is required under the terms of the related Underlying Instrument to make "gross-up" payments that cover the full amount of such withholding tax on an after-tax basis;

(o) all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority or any other Person required to be obtained, effected or given in connection with the making, acquisition, transfer or performance of such Loan have been duly obtained, effected or given and are in full force and effect;

(p) such Loan and the Underlying Instruments related thereto, are eligible to be sold, assigned or transferred to the Borrower, and neither the sale, transfer or assignment of such Loan to the Borrower, nor the granting of a security interest hereunder to the Administrative Agent, violates, conflicts with or contravenes in any material respect any Applicable Law or any contractual or other restriction, limitation or encumbrance binding on the Borrower;

(q) such Loan requires the related Obligor to pay customary maintenance, repair, insurance and taxes, together with all other ancillary costs and expenses, with respect to the related, underlying collateral of such Loan;

(r) such Loan has an original term to stated maturity that does not exceed ten (10) years;

(s) the Underlying Instruments for such Loan do not contain a confidentiality provision that would prohibit the Administrative Agent or any Secured Party from obtaining all necessary information with regard to such Loan, so long as the Administrative Agent or such Secured Party, as applicable, has agreed to maintain the confidentiality of such information in accordance with the provisions of such Underlying Instruments;

(t) such Loan provides for (i) periodic payments of accrued and unpaid interest in cash on a current basis at a rate of at least 1.50% per annum, no less frequently than semi-annually and (ii) a fixed amount of principal payable in cash no later than its stated maturity;

(u) the Obligor with respect to such Loan is an Eligible Obligor;

(v) such Loan is Registered;

(w) such Loan is not a participation interest;

(x) all information provided by the Borrower or the Collateral Administrator with respect to the Loan is true, correct and complete in all material respects;

(y) such Loan (A) is not an Equity Security and (B) does not provide for the conversion or exchange into an Equity Security at any time on or after the date it is included as part of the Collateral;

(z) such Loan does not constitute Margin Stock;

(aa) such Loan does not require the Borrower to make advances in respect of such Loan at any time after the Borrower's purchase of such Loan;

(bb) on the relevant Advance Date, such Loan has an aggregate outstanding value of not greater than $40,000,000 and not less than $2,000,000; and

(cc) such Loan satisfies such other eligibility criteria as may be mutually agreed upon by the Administrative Agent and the Borrower prior to the applicable Advance Date.

For purposes of determining compliance with clause (B) of the definition of "Eligible Loan," each Loan included in the Loan List set forth on Schedule III hereto as of the Amendment and Restatement Effective Date shall be deemed approved by the Administrative Agent.

"Eligible Obligor": On any Measurement Date, any Obligor that:

(a) is a business organization (and not a natural person) duly organized and validly existing under the laws of its jurisdiction of organization;

(b) is not a Governmental Authority;

(c) is not an Affiliate of the Borrower or the Collateral Administrator;

(d) is organized and incorporated in the United States, unless otherwise approved in writing by the Administrative Agent in its sole discretion; and

(e) unless otherwise approved in writing by the Administrative Agent in its sole discretion, is not the subject of an Insolvency Event and, as of the date on which such Loan becomes part of the Collateral, such Obligor has not, to the Borrower's knowledge after completion of customary due diligence, experienced a material adverse change in its financial condition.

"Eligible Repurchase Obligations": Repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States, in either case entered into with a depository institution or trust company (acting as principal) described in clause (b) of the definition of Permitted Investments.

"Equity Security": (i) Any equity security or any other security that is not eligible for purchase by the Borrower as a Loan, (ii) any security purchased as part of a "unit" with a Loan and that itself is not eligible for purchase by the Borrower as a Loan, (iii) any obligation that, at the time of commitment to acquire such obligation, was eligible for purchase by the Borrower as a Loan but that, as of any subsequent date of determination, no longer is eligible for purchase by the Borrower as a Loan, for so long as such obligation fails to satisfy such requirements; *provided* that, the following are not "Equity Securities": (A) any United States real property interest as defined in Section 897 of the Code and any Treasury Regulation promulgated thereunder or (B) any interest in a partnership or any entity treated as a partnership within the meaning of Treasury Regulation §301.7701-3.

"ERISA": The United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated or issued thereunder.

"ERISA Affiliate": (a) Any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower.

"Eurodollar Disruption Event": The occurrence of any of the following: (a) any Lender shall have notified the Administrative Agent of a determination by such Lender that it would be contrary to law or to the directive of any central bank or other Governmental Authority (whether or not having the force of law) to obtain United States dollars in the London interbank market to fund any Advance, (b) any Lender shall have notified the Administrative Agent of a determination by such Lender that the rate at which deposits of United States dollars are being offered to such Lender in the London interbank market does not accurately reflect the cost to such Lender of making, funding or maintaining any Advance or (c) any Lender shall have notified the Administrative Agent of the inability of such Lender, as applicable, to obtain United States dollars in the London interbank market to make, fund or maintain any Advance.

"Event of Default": The meaning specified in Section 9.1.

"Excepted Loan" means any commercial loan or note other than a Revolving Loan or a Delayed Draw Loan.

"Excepted Persons": The meaning specified in Section 12.13(a).

"Excess Concentration Amount": The greater of (a) the aggregate Adjusted Balance of all Non-First Lien Loans minus the product of (i) the Aggregate Adjusted Balance and (ii) 25%, and (b) $0.

"Excess Future Funding Account": A Securities Account created and maintained on the books and records of the Collateral Custodian entitled "Excess Future Funding Collection Account" in the name of the Borrower and subject to the prior Lien of the Administrative Agent for the benefit of the Secured Parties.

"Excess Future Funding Coverage Amount": On any date, an amount (without duplication) equal to the sum of:

(a) the Availability on such date, plus

(b) the Cash available for distribution on such date to the Borrower from the Excess Future Funding Account in accordance with Section 2.7(i), plus

(c) the positive difference, if any, between (i) the aggregate proceeds that the Collateral Administrator (A) believes in its commercially reasonable business judgment will be received by the Borrower under each outstanding trade ticket delivered by the Borrower in connection with the sale of Collateral, and (B) determines in good faith would be available for withdrawal by the Borrower from the Collection Account in accordance with any of Section 2.7(b), Section 2.7(c), Section 2.7(d) or Section 2.7(e) if the settlement date for each such sale were the date on which this calculation is being made, and (ii) the aggregate obligations of the Borrower under each outstanding trade ticket delivered by the Borrower in connection with its acquisition of Collateral; provided that, the proceeds expected to be received in connection with any such outstanding trade ticket shall only be included in the foregoing calculation until the earlier of (x) the date on which such proceeds are actually received by the Borrower, and (y) the 30th day after the related trade date.

"Excess Future Funding Obligation Amount": On any date, the positive difference, if any, between the Future Funding Obligations of the Borrower on such date and an amount equal to fifteen percent (15%) of the Net Asset Value as of the most recent BDC Reporting Date.

"Exchange Act": The United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Amounts": Any amount received in the Collection Account with respect to any Loan included as part of the Collateral, which amount is attributable to the reimbursement of payment by the Borrower of any Tax, fee or other charge imposed by any Governmental Authority on such Loan or on any Underlying Assets.

"Excluded Taxes": The meaning specified in Section 2.13(a).

"Existing Borrowers": The meaning specified in the Recitals.

"Existing Large Facility Borrower": The meaning specified in the Recitals.

"Existing Large Facility Loan and Security Agreement": The meaning specified in the Recitals.

"Existing Loan and Security Agreements": The meaning specified in the Recitals.

"Existing Small Facility Borrower": The meaning specified in the Recitals.

"Existing Small Facility Loan and Security Agreement": The meaning specified in the Recitals.

"Existing SPV": New Mountain Finance SPV Funding, L.L.C. (formerly known as New Mountain Guardian SPV Funding).

"Existing SPV LSA": The Loan and Security Agreement, dated as of October 27, 2010, among the Existing SPV, as borrower, the Borrower, as collateral administrator, the lenders from time to time party thereto, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, National Association, as collateral custodian.

"Expiration Date": The meaning assigned to it in clause (c) of the definition of "Excess Future Funding Coverage Amount" in this Section 1.1.

"Facility Amount": $160,000,000, as such amount may vary from time to time pursuant to Section 2.3 hereof; *provided* that, the Facility Amount shall mean the Advances Outstanding on and after the earlier to occur of the Revolving Period End Date or the Termination Date.

"Facility Extension Fee": an amount equal to $360,000, due and payable pursuant to Section 2.11(c).

"Facility Maturity Date": October 21, 2015.

"Facility Upsize Fee": an amount equal to $600,000, due and payable pursuant to Section 2.11(c).

"FATCA": Sections 1471 through 1474 of the Code, as in effect on the Amendment and Restatement Date (including all regulations or official interpretations thereof issued after the Amendment and Restatement Date).

"FDIC": The Federal Deposit Insurance Corporation, and any successor thereto.

"Federal Funds Rate": For any period, a fluctuating interest *per annum* rate equal, for each day during such period, to the weighted average of the overnight federal funds rates as in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by the Administrative Agent (or, if such day is not a Business Day, for the next preceding Business Day), or, if for any reason such rate is not available on any day, the rate determined, in the sole discretion of the Administrative Agent, to be the rate at which overnight federal funds are being offered in the national federal funds market at 9:00 a.m. (Charlotte, North Carolina time) on such day.

"Fees": The Due Diligence Fee, the Facility Extension Fee, the Facility Upsize Fee and the Non-Usage Fee.

"Financial Asset": The meaning specified in Section 8-102(a)(9) of the UCC.

"Financial Sponsor": Any Person, including any Subsidiary of such Person, whose principal business activity is acquiring, holding, and selling investments (including controlling interests) in otherwise unrelated companies that each are distinct legal entities with separate management, books and records and bank accounts, whose operations are not integrated with one another and whose financial condition and creditworthiness are independent of the other companies so owned by such Person.

"First Lien Loan": A Loan (i) that is not (and cannot by its terms become) subordinate in right of payment to any obligation of the Obligor in any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, (ii) that is secured by a pledge of collateral, which security interest is validly perfected and first priority under Applicable Law (subject to liens permitted under the Underlying Instruments) and (iii) the Collateral Administrator determines in good faith that the value of the collateral securing the loan on or about the time of origination equals or exceeds the outstanding principal balance of the Loan plus the aggregate outstanding balances of all other loans of equal or higher seniority secured by the same collateral.

"First Lien Loan Advance Rate": With respect to (a) any First Lien Loan (other than a First Lien Loan in respect of which a Prepayment Cure Event has occurred), the lesser of (i) 45% and (ii) the minimum percentage necessary such that the amount of the initial Advance with respect to such First Lien Loan results in the Adjusted Net Senior Leverage Ratio of the related Obligor being less than 2.50 to 1.00; and (b) any First Lien Loan in respect of which a Prepayment Cure Event has occurred, the percentage necessary such that the amount of the Advance made with respect to such First Lien Loan results in the Adjusted Net Senior Leverage Ratio of the related Obligor being no greater than 2.00 to 1.00.

"First Lien Prepayment Cure Event": The meaning specified in Section 5.1(x)(i).

"Fitch": Fitch, Inc. or any successor thereto.

"Fund": New Mountain Partners III, L.P., a Delaware limited partnership.

"Fund Limited Partnership Agreement": The Amended and Restated Limited Partnership Agreement of the Fund, dated as of May 25, 2007, as the same may be amended, and as the same may be further amended, restated, modified or supplemented from time to time.

"Funding Date": With respect to any Advance, the Business Day following the Business Day of receipt by the Administrative Agent and Lender of a Funding Notice and other required deliveries in accordance with Section 2.2.

"Funding Notice": A notice in the form of Exhibit A-1 requesting an Advance, including the items required by Section 2.2.

"Future Funding Investment" means a Revolving Loan, a Delayed Draw Loan or any other Investment in any Person that requires the Borrower to make any future advance or payment (including any contingent funding obligation) to any Person (other than a commitment to make or acquire an Excepted Loan for which (a) a binding trade ticket has been entered into between the Borrower and the seller of such Excepted Loan and (b) all funding obligations of the Borrower with respect to such Excepted Loan are required to be paid by the Borrower on the related settlement date).

"Future Funding Investment Notice" means, with respect to the Borrower's proposed Future Funding Investment in any Person, a notice that (i) describes the proposed Future Funding Investment (including the amount of the Future Funding Obligation in respect thereof) and (ii) contains a certification (including any applicable calculations in reasonable detail) from the Collateral Administrator that the requirement of clauses (2) and (3) of Section 4.1(u)(vi) will be satisfied on the effective date of such Future Funding Investment.

"Future Funding Obligation" means, with respect to (i) a Delayed Draw Loan, the maximum remaining amount that can be borrowed under such Delayed Draw Loan, and (ii) any other Future Funding Investment, the maximum funding obligation (including any funded or unfunded obligations, contingent or otherwise) of the Borrower under such Future Funding Investment.

"GAAP": Generally accepted accounting principles as in effect from time to time in the United States.

"Gains": With respect to any Eligible Loan, Investment or Permitted Investment, the greater of (a) all amounts received by the Borrower in connection with the taxable disposition of such asset occurring after the Revolving Period minus the Borrower's adjusted tax basis in such asset at the time of such disposition and (b) zero.

"General Intangible": The meaning specified in Section 9-102(a)(42) of the UCC.

"General Partner": New Mountain Investments III, L.L.C., and any additional or successor general partners admitted to the Fund or the AIV as a general partner thereof in accordance with the terms of the applicable Limited Partnership Agreement, in each case in its capacity as a general partner of the Fund or the AIV.

"Governmental Authority": With respect to any Person, any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

"Highest Required Investment Category": (i) With respect to ratings assigned by Moody's, "Aa2" or "P-1" for one (1) month instruments, "Aa2" and "P-1" for three (3) month instruments, "Aa3" and "P-1" for six (6) month instruments and "Aa2" and "P-1" for instruments with a term in excess of six (6) months, (ii) with respect to rating assigned by S&P, "A-1" for short-term instruments and "A" for long-term instruments, and (iii) with respect to rating assigned by Fitch (if such investment is rated by Fitch), "F-1+" for short-term instruments and "AAA" for long-term instruments.

"Increased Costs": Any amounts required to be paid by the Borrower to an Affected Party pursuant to Section 2.12.

"Indebtedness": With respect to any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business and payable in accordance with customary trade practices) or that is evidenced by a note, bond, debenture or similar instrument or other evidence of indebtedness customary for indebtedness of that type, (b) all obligations of such Person under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (e) all indebtedness, obligations or liabilities of that Person in respect of derivatives, and (f) all obligations under direct or indirect guaranties in respect of obligations (contingent or otherwise) to purchase or otherwise acquire, or to otherwise assure a creditor against loss in respect of, indebtedness or obligations of others of the kind referred to in clauses (a) through (e) above.

"Indemnified Amounts": The meaning specified in Section 10.1(a).

"Indemnified Parties": The meaning specified in Section 10.1(a).

"Indemnity Agreement": The Amended and Restated Indemnity Agreement, dated as of the date hereof, between the Borrower and the AIV, as the same may be

amended, restated, modified or supplemented from time to time.

"Independent Manager": An independent manager or director who is not currently a director, officer, employee, trade creditor shareholder, manager or member (or spouse, parent, sibling or child of the foregoing) of any principal or Affiliate of the Collateral Administrator

(other than being manager or director of the Borrower and the BDC); *provided* that such Independent Manager may be an independent manager or an independent director of another special purpose entity affiliated with the Collateral Administrator).

"Independent Verification": The meaning specified in Section 2.7(h).

"Indorsement": The meaning specified in Section 8-102(a)(11) of the UCC, and "Indorsed" has a corresponding meaning.

"Ineligible Assignee": Any private investment company, investment firm, investment partnership, private equity fund or other private equity investment vehicle.

"Insolvency Event": With respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction over such Person or any substantial part of its property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree, order or appointment shall remain unstayed and in effect for a period of sixty (60) consecutive days, (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, (c) the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or (d) the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"Insolvency Laws": The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Insolvency Proceeding": Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

"Instrument": The meaning specified in Section 9-102(a)(47) of the UCC.

"Interest": For each Accrual Period and the Advances Outstanding, the sum of the products (for each day during such Accrual Period) of:

$$IR \times P \times \frac{1}{D}$$

where:

IR = the Interest Rate applicable on such day;

P = the Advances Outstanding on such day; and

D = 360 days (or, to the extent the Interest Rate is the Base Rate, 365 or 366 days, as applicable).

provided that if (a) an Event of Default occurs and is continuing, 2.00% shall be added to the Interest then in effect for all outstanding amounts or (b) a Curable BDC Asset Coverage Event occurs, 2.00% shall be added to the Interest then in affect for all outstanding amounts during the period from the BDC Reporting Date on which such event occurred to immediately succeeding BDC Reporting Date; provided further that (i) no provision of this Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by Applicable Law, (ii) Interest shall not be considered paid by any distribution if at any time such distribution is rescinded or must otherwise be returned for any reason and (iii) such additional 2.00% shall not apply to overdue Interest.

"Interest Collections": (a) all amounts received by the Borrower from the Existing SPV that were distributed to the Existing SPV pursuant to Section 2.7(a)(8) of the Existing SPV LSA, (b) all amounts received by the Borrower constituting interest or dividends received from Investments and (c) all payments of interest on Loans and Permitted Investments, including any payments of accrued interest received on the sale of Loans or Permitted Investments and all payments of principal (including principal prepayments) on Permitted Investments purchased with the proceeds described in this definition, in each case, received in cash by or on behalf of the Borrower or Collateral Custodian; provided that Interest Collections shall not include (x) Sale Proceeds representing accrued interest that are applied toward payment for accrued interest on the purchase of an Additional Loan and (y) interest received in respect of a Loan (including in connection with any sale thereof), which interest was purchased with Principal Collections.

"Interest Collection Account": A Securities Account created and maintained on the books and records of the Collateral Custodian entitled "Interest Collection Account" in the name of the Borrower and subject to the prior Lien of the Administrative Agent for the benefit of the Secured Parties.

"Interest Rate": (a) The LIBOR Rate plus (b) the Applicable Spread; *provided* that, upon and during the occurrence of a Eurodollar Disruption Event, "Interest Rate" shall mean the Base Rate plus the Applicable Spread. Accrued and unpaid interest on Advances shall be payable quarterly on each Payment Date.

"Intermediary": (a) A Clearing Corporation or (b) a Person, including a bank or broker, that in the ordinary course of its business maintains Securities Accounts for others and is acting in that capacity, which in each case is not an Affiliate of the Borrower or the Collateral Administrator.

"Investment": With respect to any Person, any direct or indirect loan, advance or investment by such Person in any other Person, whether by means of share purchase, capital contribution, loan or otherwise, excluding the acquisition of Eligible Loans and Permitted

Investments and the acquisition of Equity Securities otherwise permitted by the terms hereof which are related to such Eligible Loans and Permitted Investments.

"Investment Property": The meaning specified in Section 9-102(a)(49) of the UCC.

"IPO Date": The date on which the BDC shall have completed an initial public offering of shares of its common stock to unaffiliated Persons.

"Joinder Supplement": An agreement among the Borrower, a Lender and the Administrative Agent in the form of Exhibit I to this Agreement (appropriately completed) delivered in connection with a Person becoming a Lender hereunder after the Closing Date, as contemplated by Section 2.1(d).

"Large Obligor Coverage Amount": As of any Measurement Date, an amount equal to the greater of (a)(i) the sum of the Adjusted Balances of all Loans attributable to the three Obligors collectively comprising the largest aggregate Adjusted Balances included in the Borrowing Base minus (ii) an amount equal to the product of (A) the Aggregate Adjusted Balance and (B) 55% and (b) 0.

"Lender": Wells Fargo Bank, National Association and each financial institution which may from time to time become a Lender hereunder by executing and delivering a Joinder Supplement to the Administrative Agent and the Borrower as contemplated by Section 2.1(d).

"LIBOR Rate": For any day during the Revolving Period, (a) the rate per annum appearing on Reuters Screen LIBOR01 Page (or any successor or substitute page) as the London interbank offered rate for deposits in dollars at approximately 11:00 a.m., London time, for such day, provided, if such day is not a Business Day, the immediately preceding Business Day, for a one-month maturity; and (b) if no rate specified in clause (a) of this definition so appears on Reuters Screen LIBOR01 Page (or any successor or substitute page), the interest rate per annum at which dollar deposits of $5,000,000 and for a one-month maturity are offered by the principal London office of Wachovia in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, for such day.

"Lien": Any mortgage, lien, pledge, charge, right, claim, security interest or encumbrance of any kind of or on any Person's assets or properties in favor of any other Person.

"Limited Partnership Agreements": The collective reference to the Fund Limited Partnership Agreement and the AIV Limited Partnership Agreement.

"Loan": Any commercial loan or note owned by the Borrower.

"Loan File": For each Loan, the following documents or instruments:

(a) copies of each of the documents included in the Required Loan Documents definition;

(b) to the extent applicable to such Loan, the final copies for any related subordination agreement, intercreditor agreement, or similar instruments, assumption or

substitution agreement or similar material operative document, in each case together with any amendment or modification thereto;

(c) either (i) copies of any financing statements under the UCC, if any, and any related continuation statements, each showing the Obligor as debtor and each with evidence of filing thereon, or (ii) copies of any such financing statements certified by the Collateral Administrator to be true and complete copies thereof in instances where the original financing statements have been sent to the appropriate public filing office for filing.

"Loan List": The Loan List provided by the Borrower to the Administrative Agent and the Collateral Custodian, in the form of Schedule III hereto, as such list may be amended, supplemented or modified from time to time in accordance with this Agreement.

"Margin Stock": "Margin Stock" as defined under Regulation U.

"Market Discount": On any Business Day, amounts on deposit in the Principal Collection Account on such Business Day accounted for by the Borrower, in accordance with GAAP, as accrued market discount in respect of any Eligible Loan, Investment or Permitted Investment.

"Markit": The Markit Loan Pricing service, a division of Markit Group Limited.

"Materially Modified Loan": Any Loan subject to a Material Modification.

"Material Adverse Effect": With respect to any event or circumstance, a material adverse effect on (a) the business, financial condition, operations, performance or properties of the Borrower, (b) the validity, enforceability or collectability of this Agreement or any other Transaction Document or the validity, enforceability or collectability of the Loans generally or any material portion of the Loans, (c) the rights and remedies of the Administrative Agent, the Lenders and the Secured Parties with respect to matters arising under this Agreement or any other Transaction Document, (d) the ability of each of the Borrower or the Collateral Administrator to perform its obligations under any Transaction Document to which it is a party, or (e) the status, existence, perfection, priority or enforceability of the Administrative Agent's or the other Secured Parties' lien on the Collateral.

"Material Modification": Any amendment or waiver of, or modification or supplement to, an Underlying Instrument governing a Loan executed or effected on or after the date on which the Borrower acquired such Loan that:

(a) waives one or more interest payments, or permits any interest due in cash to be deferred or capitalized and added to the principal amount of such Loan;

(b) contractually or structurally subordinates such Loan by operation of a priority of payments, turnover provisions, the transfer of assets in order to limit recourse to the related Obligor or the granting of Liens (other than Permitted Liens) on any of the Underlying Assets securing such Loan; or

(c) substitutes, alters or releases (other than as permitted by such Underlying Instruments) the Underlying Assets securing such Loan, and each such substitution, alteration or release, as determined in the sole reasonable discretion of the Administrative Agent, materially and adversely affects the value of such Loan;

provided that no Material Modification will be deemed to have occurred with respect to any publicly rated Loan if after the occurrence of any of the events listed in the clauses (a) through (c) of this definition any of S&P, Fitch or Moody's (or, if such Loan is rated by some or all of S&P, Fitch and Moody's each of S&P, Fitch and Moody's) has affirmed its public rating of such Loan, in each case unless such Loan is considered to be "significantly modified" within the meaning of Treasury Regulation §1.1001-3.

"Maximum Availability": At any time, an amount equal to the lesser of (i) the Facility Amount and (ii) the Borrowing Base.

"Maximum Gain Distribution Amount": On any date, the greater of (a)(i) the initial Maximum Gain Distribution Amount designated by the Borrower pursuant to Section 2.14(a) *minus* (ii) all amounts distributed to the Borrower pursuant to Section 2.7(b)(7) prior to such date *minus* (iii) any amount by which the Maximum Gain Distribution Amount has been reduced pursuant to Section 2.14(c) prior to such date and (b) zero.

"Measurement Date": Each of the following: (i) the Amendment and Restatement Effective Date; (ii) the date of any Borrower's Notice, (iii) the date that the Collateral Administrator has actual knowledge of the occurrence of any Value Adjustment Event; (iv) the date that the Assigned Value of any Loan is adjusted; (v) the date that is five (5) days prior to each Payment Date, (vi) unless such date is five (5) or fewer days prior to the next Payment Date, the Business Day prior to the date any Principal Collections are to be released pursuant to Section 2.7(b) or Section 2.7(c); (vii) the date on which any Loan included in the latest calculation of the Borrowing Base fails to meet one or more of the criteria listed in the definition of "Eligible Loan" (other than any criteria thereof waived by the Administrative Agent on or prior to the related Funding Date in respect of such Loan) and (viii) the fifth Business Day of each calendar month;.

"Moody's": Moody's Investors Service, Inc., and any successor thereto.

"Multiemployer Plan": A "multiemployer plan" as defined in Section 4001(a)(3) of ERISA that is or was at any time during the current year or the preceding five (5) years contributed to by the Borrower or any ERISA Affiliate on behalf of its employees.

"Net Asset Value" means, with respect to the BDC on any BDC Reporting Date, the difference, determined on a consolidated basis, without duplication and in accordance with GAAP, between (a) the fair market value of the total assets of the BDC and its consolidated Subsidiaries as required by, and in accordance with, the 1940 Act and any orders of the Securities and Exchange Commission issued to the BDC, to be determined by the Board of Directors of the BDC and reviewed by its auditors and (b) all liabilities (including contingent liabilities) of the BDC and its consolidated Subsidiaries.

"New Mountain Funds": The Fund and any investment vehicle for which the General Partner or any Affiliate thereof acts as the general partner or investment manager or serves in a similar capacity.

"New Mountain Finance Advisors BDC": New Mountain Finance Advisors BDC, L.L.C., it being understood and agreed that, with respect to any provision herein that references New Mountain Finance Advisors BDC, such provision shall only apply to it at such times as it holds any equity interests in the Collateral Administrator.

"Non-Borrowing Base Asset": On any date of determination, any Loan or other asset that was not identified on the most recent Borrowing Base Certificate delivered on or prior to such date.

"Non-Borrowing Base Interest Collection Amount": On any date of determination, an amount equal to the aggregate Collections deposited into the Interest Collection Account in respect of Non-Borrowing Base Assets since the Payment Date immediately prior to such date.

"Non-Borrowing Base Principal Collection Amount": On any date of determination, an amount equal to the aggregate Collections deposited into the Principal Collection Account in respect of Non-Borrowing Base Assets since the Payment Date immediately prior to such date.

"Non-First Lien Loan": A Loan that does not satisfy all of the requirements of a First Lien Loan.

"Non-First Lien Loan Advance Rate": With respect to (a) any Non-First Lien Loan (other than a Non-First Lien Loan in respect of which a Prepayment Cure Event has occurred), the lesser of (i) 25% and (ii) the minimum percentage necessary such that the amount of the initial Advance with respect to such Non-First Lien Loan results in the Adjusted Net Non-First Lien Leverage Ratio of the related Obligor being less than the threshold determined by the Administrative Agent in its sole discretion for such Obligor at the time of the approval of such Non-First Lien Loan; and (b) any Non-First Lien Loan in respect of which a Prepayment Cure Event has occurred, the percentage necessary such that the amount of the Advance made with respect to such Non-First Lien Loan results in the Adjusted Net Non-First Lien Leverage Ratio of the related Obligor being no greater than 0.75x (or such lesser number that is acceptable to the Administrative Agent) less than the threshold determined by the Administrative Agent in its sole discretion at the time of the approval of such Non-First Lien Loan.

"Non-First Lien Prepayment Cure Event": The meaning specified in Section 5.1(x)(ii).

"Non-Usage Fee": A fee in an amount equal to the product of (a) the Unused Facility Amount multiplied by (b) the Non-Usage Fee Rate, due and payable pursuant to Section 2.11(a).

"Non-Usage Fee Rate": (a) During the first three (3) months following the Amendment and Restatement Effective Date, 0.50%, (b) from four (4) to six (6) months following the Amendment and Restatement Effective Date, (i) 0.50% of the first $136,533,333 of the Unused Facility Amount and (ii) 2.50% on the portion of the Unused Facility Amount in excess of $136,533,333, (c) from seven (7) to nine (9) months following the Amendment and Restatement Effective Date, (i) 0.50% of the first $102,400,000 of the Unused Facility Amount and (ii) 2.50%

on the portion of the Unused Facility Amount in excess of $102,400,000, (d) from ten (10) to twelve (12) months following the Amendment and Restatement Effective Date, (i) 0.50% of the first $68,266,667 of the Unused Facility Amount and (ii) 2.50% on the portion of the Unused Facility Amount in excess of $68,266,667 and (e) thereafter, (i) 0.50% of the first $42,666,667 of the Unused Facility Amount and (ii) 2.50% on the portion of the Unused Facility Amount in excess of $42,666,667.

"Noteless Loan": A Loan with respect to which the Underlying Instruments do not require the Obligor to execute and deliver, and the Obligor has not executed and delivered, a promissory note evidencing any indebtedness created under such Loan.

"Notice of Exclusive Control": The meaning specified in the Securities Account Control Agreement.

"Obligations": The unpaid principal amount of, and interest (including, without limitation, interest accruing after the maturity of the Advances and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) on the Advances and all other obligations and liabilities of the Borrower to the Secured Parties, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, or out of or in connection with any Transaction Document, and any other document made, delivered or given in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Administrative Agent, the Collateral Custodian or to the Lenders that are required to be paid by the Borrower pursuant to the terms of the Transaction Documents) or otherwise.

"Obligor": With respect to any Loan, any Person or Persons obligated to make payments pursuant to or with respect to such Loan, including any guarantor thereof. For purposes of determining whether any Loan is made to an Eligible Obligor, all Loans included as part of the Collateral or to be transferred to the Collateral, the Obligor of which is an Affiliate of another Obligor, shall be aggregated with all Loans of such Affiliate Obligor; for example, if Corporation A is an Affiliate of Corporation B, and the

sum of the Adjusted Balances of all of Corporation A's Loans included as part of the Collateral constitutes 10% of the Aggregate Adjusted Balance and the sum of the Adjusted Balances all of Corporation B's Loans included as part of the Collateral constitutes 10% of the Aggregate Adjusted Balance, the combined Obligor concentration for Corporation A and Corporation B would be 20%.

"Offering": Any primary issuance or secondary sale of equity in the BDC.

"Offering Expenses": Any reasonable legal, accounting, placement or other customary fees payable in connection with an Offering.

"Officer's Certificate": A certificate signed by a Responsible Officer of the Person providing the applicable certification, as the case may be.

"OLB": For any Loan as of any date of determination, an amount equal to the least of (i) the product of (x) the Assigned Value of such Loan as of such date of determination, multiplied by (y) the principal balance of such Loan outstanding as of such date of determination, (ii) the product of (x) the Purchase Price of such Loan, multiplied by (y) the principal balance of such Loan outstanding as of such date of determination, and (iii) the principal balance of such Loan outstanding as of such date of determination.

"Opinion of Counsel": A written opinion of counsel, which opinion and counsel are acceptable to the Administrative Agent in its sole discretion.

"Partially Eligible Loan": Any Loan which meets each of the criteria listed in the definition of "Eligible Loan" other than clause (B) of such definition, whether or not rejected by the Administrative Agent pursuant to such clause (B).

"Payment Date": Quarterly on the 15th day of each January, April, July and October, or, if such day is not a Business Day, the next succeeding Business Day.

"Pension Plans": The meaning specified in Section 4.1(x).

"Permanent BDC Asset Coverage Event": The meaning specified in Section 5.1(u).

"Permitted Exchange Transactions": The exchange by AIV Holding of membership interests in the Borrower for common stock of the BDC and any other transaction ancillary thereto undertaken to maintain a 1:1 equity exchange ratio for such exchange.

"Permitted Financing Arrangement": Any revolving loan or credit facility, derivative instrument or similar financing arrangement (other than this Agreement) that the Collateral Administrator or any SPV enters into that complies with the requirements set forth in Section 5.4(h).

"Permitted Investments": Negotiable instruments or securities or other investments (which may include obligations or securities of issuers for which the Collateral Custodian or an Affiliate of the Collateral Custodian provides services or receives compensation) that (i) except in the case of demand or time deposits, investments in money market funds and Eligible Repurchase Obligations, are represented by instruments in bearer or registered form or ownership of which is represented by book entries by a Clearing Agency or by a Federal Reserve Bank in favor of depository institutions eligible to have an account with such Federal Reserve Bank who hold such investments on behalf of their customers, (ii) as of any date of determination, mature by their terms on or prior to the Business Day preceding the next Payment Date and (iii) evidence:

(a) direct obligations of, and obligations fully guaranteed as to full and timely payment by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States);

(b) demand deposits, time deposits or certificates of deposit of depository institutions or trust companies incorporated under the laws of the United States or any state thereof and subject to supervision and examination by federal or state banking or depository

institution authorities; *provided* that at the time of the Borrower's investment or contractual commitment to invest therein, the commercial paper, if any, and short-term unsecured debt obligations (other than such obligation whose rating is based on the credit of a Person other than such institution or trust company) of such depository institution or trust company shall have a credit rating from Fitch and each Rating Agency in the Highest Required Investment Category granted by Fitch and such Rating Agency;

(c) commercial paper, or other short term obligations, having, at the time of the Borrower's investment or contractual commitment to invest therein, a rating in the Highest Required Investment Category granted by each Rating Agency and Fitch;

(d) demand deposits, time deposits or certificates of deposit that are fully insured by the FDIC and either have a rating on their certificates of deposit or short-term deposits from Moody's and S&P of "P-1" and "A-1", respectively, and if rated by Fitch, from Fitch of "F-1+";

(e) notes that are payable on demand or bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above;

(f) investments in taxable money market funds or other regulated investment companies having, at the time of the Borrower's investment or contractual commitment to invest therein, a rating of the Highest Required Investment Category from each Rating Agency and Fitch (if rated by Fitch);

(g) time deposits (having maturities of not more than 90 days) by an entity the commercial paper of which has, at the time of the Borrower's investment or contractual commitment to invest therein, a rating of the Highest Required Investment Category granted by each Rating Agency and Fitch; or

(h) Eligible Repurchase Obligations with a rating acceptable to the Rating Agencies and Fitch, which in the case of S&P, shall be "A-1" and in the case of Fitch shall be "F-1+".

The Collateral Custodian may, pursuant to the direction of the Collateral Administrator or the Administrative Agent, as applicable, purchase or sell to itself or an Affiliate, as principal or agent, the Permitted Investments described above.

"Permitted Liens": Any of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for Taxes if such Taxes shall not at the time be due and payable or if a Person shall currently be contesting the validity thereof in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of such Person, (b) Liens imposed by law, such as materialmen's, warehousemen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens, arising by operation of law in the ordinary course of business for sums that are not overdue or are being contested in good faith and (c) Liens granted pursuant to or by the Transaction Documents.

"Person": An individual, partnership, corporation, limited liability company, joint stock company, trust (including a statutory or business trust), unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

"Prepayment Cure Event": With respect to (a) any First Lien Loan, a First Lien Prepayment Cure Event for such Loan and (b) any Non-First Lien Loan, a Non-First Lien Prepayment Cure Event for such Loan.

"Prepayment Gains": On any Business Day, amounts on deposit in the Principal Collection Account on such Business Day attributable to gains or accrued market discount recognized for Tax purposes by the Borrower in respect of any Eligible Loan, Investment or Permitted Investment to the extent that such gains or accrued market discount arose as a result of a prepayment or scheduled amortization of such Eligible Loan, Investment or Permitted Investment by the related Obligor or, with the prior written consent of the Administrative Agent, a sale of such Eligible Loan, Investment or Permitted Investment by the Borrower. For the avoidance of doubt, Prepayment Gains shall not, without the prior written consent of the Administrative Agent, include any such gains or accrued market discount recognized for Tax purposes by the Borrower as a result of a sale of any Eligible Loan, Investment or Permitted Investment by the Borrower.

"Priced Loan": Any Loan for which a quoted price is available from Markit.

"Prime Rate": The rate announced by Wells Fargo from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Wells Fargo or any other specified financial institution in connection with extensions of credit to debtors.

"Principal Collections": All amounts received by the Borrower or the Collateral Custodian that are not Interest Collections to the extent received in cash by or on behalf of the Borrower or the Collateral Custodian.

"Principal Collection Account": A Securities Account created and maintained on the books and records of the Collateral Custodian entitled "Principal Collection Account" in the name of the Borrower and subject to the prior Lien of the Administrative Agent for the benefit of the Secured Parties (including, without limitation, all amounts received by the Borrower from the Existing SPV that were distributed to the Existing SPV pursuant to any of Section 2.7(b)(11), 2.7(c) or 2.8(8) of the Existing SPV LSA, and all other amounts received from any other SPV, unless otherwise agreed to in writing by the Administrative Agent).

"Pro Rata Share": With respect to a Lender, the percentage obtained by dividing the Commitment of such Lender (as determined pursuant to the definition of Commitment) by the aggregate Commitments of all the Lenders (as determined pursuant to the definition of Commitment).

"Proceeds": With respect to any Collateral, all property that is receivable or received when such Collateral is collected, sold, liquidated, foreclosed, exchanged, or otherwise disposed

of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating to such Collateral.

"Proposed Cure Notice": A notice, substantially in the form of Exhibit J hereto, given by the Borrower (or the Collateral Administrator on behalf of the Borrower) pursuant to Section 5.1(x), which must contain (a) a description of the actions to be taken to reduce the applicable Adjusted Net Leverage Ratio of the related Obligor as set forth in clause (i) or (ii), as applicable, of Section 5.1(x), and (b) a statement from the Collateral Administrator indicating that in its commercially reasonable business judgment such actions will be sufficient to reduce such applicable Adjusted Net Leverage Ratio as set forth in clause (i) or (ii), as applicable, of Section 5.1(x) within fifteen (15) Business Days following the delivery of such Proposed Cure Notice.

"Purchase Price": With respect to any Loan, an amount (expressed as a percentage of par) equal to (i) the purchase price (or, if different principal amounts of such Loan were purchased at different purchase prices, the weighted average of such purchase prices) paid by the Borrower (as applicable) for such Loan (exclusive of any interest, Accreted Interest and original issue discount), provided that, with respect to any Loan owned by the Borrower on the Amendment and Restatement Effective Date, the purchase price paid by the Borrower for such Loan shall be deemed to be the fair value of such Loan (as determined by the Collateral Administrator and approved in writing by the Administrative Agent in its sole discretion) on the Amendment and Restatement Effective Date, divided by (ii) the principal balance of such Loan outstanding as of the date of such purchase (exclusive of any interest, Accreted Interest and original issue discount).

"Qualified Institution": A depository institution or trust company organized under the laws of the United States of America or any one of the States thereof or the District of Columbia (or any domestic branch of a foreign bank), (i)(a) that has either (1) a long-term unsecured debt rating of "A" or better by S&P and "A2" or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of "A-1" or better by S&P or "P-1" or better by Moody's, (b) the parent corporation of which has either (1) a long-term unsecured debt rating of "A" or better by S&P and "A2" or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of "A-1" or better by S&P and "P-1" or better by Moody's or (c) is otherwise acceptable to the Administrative Agent and (ii) the deposits of which are insured by the FDIC.

"Quarterly Investment Report": a report (a) setting forth each Investment currently owned by the Borrower as of the end of the most recent fiscal quarter, (b) calculating the Net Asset Value as of the end of the most recent fiscal quarter and (c) certifying as of the related BDC Reporting Date (i) that the Excess Future Funding Coverage Amount is greater than or equal to the Excess Future Funding Obligation Amount and (ii) that the requirements set forth in clauses (2) and (3) of Section 4.1(u)(vi) are met with respect to each Future Funding Obligation.

"Rating Agency": Each of S&P, Fitch and Moody's.

"Reinvestment Notice": Each notice required to be delivered by the Borrower in respect of any reinvestment of Principal Collections under Section 2.7(b) or Section 2.7(c) in the form of Exhibit A-3.

"Register": The meaning specified in Section 12.16(b).

"Registered": With respect to any registration-required obligation within the meaning of Section 163(f)(2) of the Code, a debt obligation that was issued after July 18, 1984 and that is in registered form within the meaning of Section 5f.103-1(c) of the Treasury Regulations.

"Regulation U": Regulation U of the Board of Governors of the Federal Reserve System, 12 C.F.R. §221, or any successor regulation.

"Relevant Test Date": With respect to any Loan, the third Business Day following each date on which the related Obligor delivered financial statements to the

Borrower.

"Reorganization Transactions": The collective reference to the transactions described on Schedule V to be effected prior to the IPO Date.

"Repayment Notice": Each notice required to be delivered by the Borrower in respect of any reduction in the Facility Amount or repayment of Advances Outstanding, in the form of Exhibit A-3.

"Reportable Event": The meaning specified in Section 4.1(x).

"Reporting Date": The date that is two (2) Business Days prior to the 15th of each calendar month (unless in such month a Payment Date occurs in which case two (2) Business Days prior to such Payment Date).

"Required Advance Reduction Amount": As of any Measurement Date, an amount equal to the greater of (a)(i) Advances Outstanding on such dayminus (ii) the Maximum Availability on such day and (b) zero.

"Required Lenders": The Lenders representing an aggregate of more than 50% of the aggregate Commitments of the Lenders then in effect;*provided* that for the purposes of determining the Required Lenders, in the event that a Lender fails to provide funding for an Advance hereunder for which all conditions precedent have been satisfied, such Lender, as applicable, shall not constitute a Required Lender hereunder (and the Commitment of such Lender, as applicable, shall be disregarded for purposes of determining whether the consent of the Required Lenders has been obtained).

"Required Loan Documents":

For each Loan, the following documents or instruments:

(a) for each Loan other than a Noteless Loan, (1) a copy of the related executed promissory note or, in the case of a lost note, a copy of the executed underlying promissory note accompanied by an original executed affidavit and indemnity endorsed by the Borrower in blank (and an unbroken chain of endorsements from each prior holder of such promissory note to the Borrower), or (2) if such promissory note is not issued in the name of the Borrower, an executed copy of each assignment and assumption agreement, transfer document or

instrument relating to such Loan evidencing the assignment of such Loan from any prior owner thereof directly to the Borrower and from the Borrower in blank; and

(b) to the extent applicable for the related Loan, copies of the executed (a) guaranty, (b) credit agreement, (c) loan agreement, (d) note purchase agreement, (e) sale and servicing agreement, (f) acquisition agreement (or similar agreement) and (g) security agreement; *provided* that to the extent that final copies of the foregoing documents are not available as of the related Funding Date, the latest available draft copies with the final copies to be delivered within ten (10) Business Days after such Funding Date.

"Required Reports": Collectively, the Borrowing Base Certificate, the Quarterly Investment Report and the annual statements as to compliance and the annual independent public accountant's report.

"Responsible Officer": With respect to any Person, any duly authorized officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other duly authorized officer of such Person to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Restricted Payment": (i) Any dividend or other distribution, direct or indirect, on account of any class of membership interests of the Borrower now or hereafter outstanding, except a dividend paid solely in interests of that class of membership interests or in any junior class of membership interests of the Borrower; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, by the Borrower of any class of membership interests of the Borrower now or hereafter outstanding, and (iii) any payment made by the Borrower to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire membership interests of the Borrower now or hereafter outstanding.

"Revolving Loan": Any Loan (other than a Delayed Draw Loan, but including funded and unfunded portions of revolving credit lines and letter of credit facilities, unfunded commitments under specific facilities and other similar loans and investments) that under the Underlying Instruments relating thereto may require one or more future advances to be made to the Obligor by the Borrower.

"Revolving Period": The period commencing on the Closing Date and ending on the day preceding the earlier to occur of the Revolving Period End Date or the Termination Date.

"Revolving Period End Date": The earliest to occur of (a) October 21, 2013, (b) a Permanent BDC Asset Coverage Event and (c) the date of the declaration of the Revolving Period End Date pursuant to Section 9.2(a).

"Revolving Period Termination Date": The date of the declaration of the Termination Date pursuant to Section 9.2(a).

"S&P": Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"Sale Proceeds": With respect to any Loan, all proceeds received as a result of the sale of such Loan, net of all out-of-pocket expenses of the Borrower, the Collateral Administrator and the Collateral Custodian incurred in connection with any such sale.

"Scheduled Payment": Each scheduled payment of principal and/or interest required to be made by an Obligor on the related Loan, as adjusted pursuant to the terms of the related Underlying Instruments, if applicable.

"Secured Party": (i) Each Lender, (ii) the Administrative Agent and (iii) the Collateral Custodian.

"Securities Account": The meaning specified in Section 8-501(a) of the UCC.

"Securities Account Control Agreement": The Amended and Restated Account Control Agreement, dated as of the date hereof, among the Borrower, as the pledgor, the Administrative Agent and Wells Fargo, as the Collateral Custodian and as the Securities Intermediary, as the same may be amended, modified, waived, supplemented or restated from time to time.

"Securities Act": The U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Intermediary": (i) A Clearing Corporation; or (ii) a Person, including a bank or broker, that in the ordinary course of its business maintains Securities Accounts for others and is acting in that capacity.

"Security Certificate": The meaning specified in Section 8-102(a)(16) of the UCC.

"Security Entitlement": The meaning specified in Section 8-102(a)(17) of the UCC.

"Solvent": As to any Person at any time, having a state of affairs such that all of the following conditions are met: (a) the fair value of the property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair saleable value of the property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in a business or a transaction, and does not propose to engage in a business or a transaction, for which such Person's property assets would constitute unreasonably small capital.

"SPV": (a) the Existing SPV or (b) any other wholly-owned direct or indirect Subsidiary of the Borrower established with the prior written consent of the Administrative Agent.

"SPV Mergers": The meaning specified in the Recitals.

"Subsidiary": As to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person.

"Super Senior Indebtedness": With respect to any Obligor, all obligations of such Obligor (i) to which the related Loan is subordinate in right of payment to such obligations in any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings or (ii) if such obligations are secured by a pledge of collateral, the security interest is higher in priority under Applicable Law than the security interest granted pursuant to the related Loan.

"Taxable Entity": The BDC and AIV Holding.

"Taxable Entity Agreement": The collective reference to the organizational documents of the BDC and AIV Holding.

"Taxes": Any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including interest, penalties, and additions thereto) that are imposed by any Governmental Authority.

"Termination Date": The earliest of (a) the date of the termination in whole of the Facility Amount pursuant to Section 2.3(a), (b) the Facility Maturity Date or (c) the date of the declaration of the Termination Date or the date of the automatic occurrence of the Termination Date pursuant to Section 9.2(a).

"Transaction": The meaning specified in Section 3.2.

"Transaction Documents": This Agreement, the Securities Account Control Agreement, the Custodial Agreement, the Indemnity Agreement, each Variable Funding Note, any Joinder Supplement, any Transferee Letter and the Collateral Custodian Fee Letter.

"Transferee Letter": The meaning specified in Section 12.16.

"UCC": The Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

"Uncertificated Security": The meaning specified in Section 8-102(a)(l8) of the UCC.

"Underlying Assets": With respect to a Loan, any property or other assets designated and pledged as collateral to secure repayment of such Loan, including, without limitation, to the extent provided for in the relevant Underlying Instruments, a pledge of the stock, membership or other ownership interests in the related Obligor and all Proceeds from any sale or other disposition of such property or other assets.

"Underlying Instruments": The loan agreement, credit agreement, indenture or other agreement pursuant to which a Loan or Permitted Investment has been issued or created and each

other agreement that governs the terms of or secures the obligations represented by such Loan or Permitted Investment or of which the holders of such Loan or Permitted Investment are the beneficiaries.

"United States": The United States of America.

"Unrestricted Cash": The meaning of "Unrestricted Cash" or any comparable definition in the Underlying Instruments for each Loan, and in any case that "Unrestricted Cash" or such comparable definition is not defined in such Underlying Instruments, all cash available for use for general corporate purposes and not held in any reserve account or legally or contractually restricted for any particular purposes or subject to any lien (other than blanket liens permitted under or granted in accordance with such Underlying Instruments), as reflected on the most recent financial statements of the relevant Obligor that have been delivered to the Borrower.

"Unused Facility Amount": At any time, the greater of (a)(i) the Facility Amount *minus* (ii) the Advances Outstanding at such time and (b) zero.

"USA Patriot Act": The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

"Value Adjustment Event": With respect to any Loan, the occurrence of any one or more of the following events after the related Funding Date:

(a) solely with respect to any First Lien Loan, the Adjusted Net Senior Leverage Ratio for any Relevant Test Date of the related Obligor with respect to such First Lien Loan is greater than 2.50 to 1.00 and the Borrower either (i) did not deliver a Proposed Cure Notice to the Administrative Agent in accordance with Section 5.1(x)(i), or (ii) delivers a Proposed Cure Notice to the Administrative Agent in accordance with Section 5.1(x)(i) but fails to comply with the terms of the Proposed Cure Notice within fifteen (15) Business Days following the delivery of such Proposed Cure Notice;

(b) a payment default under such Loan (after giving effect to any applicable grace or cure periods, but in any case not to exceed five (5) Business Days, in accordance with the Underlying Instruments);

(c) the occurrence of a Material Modification with respect to such Loan;

(d) an Insolvency Event with respect to the related Obligor;

(e) the failure to deliver (i) with respect to quarterly reports, any financial statements (including unaudited financial statements) to the Administrative Agent sufficient to calculate any applicable Adjusted Net Leverage Ratio of the related Obligor by the date that is no later than seventy (70) days after the end of the first, second or third quarter of any fiscal year and (ii) with respect to annual reports, any audited financial statements to the Administrative Agent sufficient to calculate any applicable Adjusted Net Leverage Ratio of the related Obligor by the date that is no later than one hundred and thirty (130) days after the end of any fiscal year; or

(f) solely with respect to any Non-First Lien Loan, the Adjusted Net Non-First Lien Leverage Ratio of the related Obligor being greater than the threshold determined by the Administrative Agent in its sole discretion for such Obligor at the time of the approval of such Non-First Lien Loan and the Borrower either (i) did not deliver a Proposed Cure Notice to the Administrative Agent in accordance with Section 5.1(x)(ii), or (ii) delivers a Proposed Cure Notice to the Administrative Agent in accordance with Section 5.1(x)(ii) but fails to comply with the terms of the Proposed Cure Notice within fifteen (15) Business Days following the delivery of such Proposed Cure Notice.

"Variable Funding Note" or "VFN": The meaning specified in Section 2.1.

"Wells Fargo": Wells Fargo Bank, National Association, a national banking association, in its individual capacity, and its successors and assigns.

"WFBNA": Wells Fargo Bank, National Association, in its capacity as a Lender.

"WFS": The meaning specified in the Preamble.

Section 1.2. Other Terms.

All accounting terms used but not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and used but not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3. Computation of Time Periods.

Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.4. Limited Partnership Agreements.

Each provision or definition (including defined terms referenced herein) in either Limited Partnership Agreement which provision or definition is used in, incorporated by reference in or otherwise has any effect on a defined term or provision in this Agreement or any other Transaction Document shall be deemed to be references to such defined term or provision (as applicable) in the applicable Limited Partnership Agreement, as the same is in effect as of the date hereof; *provided* that, upon any amendment to either Limited Partnership Agreement, the Administrative Agent, in its sole discretion, may choose to apply any such definition or provision as amended to this Agreement or any of the Transaction Documents, in each case in its sole discretion.

Section 1.5. Interpretation.

In each Transaction Document, unless a contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Documents;

(c) reference to any gender includes each other gender;

(d) reference to day or days without further qualification means calendar days;

(e) reference to any time means Charlotte, North Carolina time;

(f) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, modified, waived, supplemented, restated or replaced and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor; and

(g) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any Section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such Section or other provision.

(h) For purposes of this Agreement, an Event of Default shall be deemed to be continuing unless it is waived in accordance with Section 12.1.

ARTICLE II.

THE VARIABLE FUNDING NOTE

Section 2.1. The Variable Funding Notes.

(a) The Borrower hereby agrees (i) to assume all of the duties, obligations and liabilities of, and all claims against, the Existing Borrowers under the Existing Loan and Security Agreements as if the Borrower were the original borrower under each of the Existing Facilities, and (ii) that such duties, obligations and liabilities of, and all claims against, the Existing Borrowers shall survive the amendment and restatement of the Existing Facilities contemplated hereby.

(b) On the terms and conditions hereinafter set forth, the Borrower shall deliver (i) on the Amendment and Restatement Date, to each Lender at the applicable address set forth on Annex A to this Agreement, and (ii) on the effective date of any Joinder Supplement, to each additional Lender, at the address set forth in the applicable Joinder Supplement, a duly executed variable funding note in substantially the form of Exhibit B (each a "Variable Funding Note" or "VFN"), dated as of the Amendment and Restatement Effective Date, each in a face amount equal to the applicable Lender's Commitment as of the Amendment and Restatement Effective Date or the effective date of any Joinder Supplement, as applicable, and otherwise duly

completed. Each Variable Funding Note shall evidence obligations in an amount equal, at any time, to the outstanding Advances by such Lender under the applicable VFN on such day.

(c) During the Revolving Period, the Borrower may, at its option, request the Lenders to make advances of funds (each, an "Advance") under the VFNs pursuant to a Funding Notice, in an aggregate amount up to the Availability as of the proposed Funding Date of the Advance; *provided*, *however*, that no Lender shall be obligated to make any Advance on or after the date that is two (2) Business Days prior to the earlier to occur of the Revolving Period End Date or the Termination Date. Following the receipt of a Funding Notice, subject to the terms and conditions hereinafter set forth, during the Revolving Period, the Lenders shall fund such Advance. Notwithstanding anything to the contrary herein, no Lender shall be obligated to provide the Borrower with aggregate funds in connection with an Advance that would exceed the least of (i) such Lender's unused Commitment then in effect, (ii) the aggregate unused Commitments then in effect and (iii) the Availability on the proposed Funding Date of such Advance.

(d) The Borrower may, with the written consent of the Administrative Agent, add additional Persons as Lenders and increase the Commitments hereunder; *provided* that the Commitment of any Lender may only be increased with the prior written consent of such Lender and the Administrative Agent. Each additional Lender shall become a party hereto by executing and delivering to the Administrative Agent and the Borrower a Joinder Supplement and a representation letter in the form of Exhibit I.

Section 2.2. Procedures for Advances by the Lenders.

(a) Subject to the limitations set forth in Section 2.1(b), the Borrower may request an Advance from the Lenders by delivering to the Lenders at certain times the information and documents set forth in this Section 2.2.

(b) No later than 3:00 p.m. (Charlotte, North Carolina time) on the Business Day prior to the proposed Funding Date, the Borrower (or the Collateral Administrator on its behalf) shall deliver:

(i) to the Administrative Agent and the Collateral Custodian written notice of such proposed Funding Date (including a duly completed Borrowing Base Certificate updated to the date such Advance is requested and giving pro forma effect to the Advance requested and the use of the proceeds thereof);

(ii) to the Administrative Agent a description of the Obligor and the Loan(s) to be funded by the proposed Advance;

(iii) to the Administrative Agent a wire disbursement and authorization form, to the extent not previously delivered;

(iv) to the Administrative Agent and the Collateral Custodian a duly completed Funding Notice which shall (a) specify the desired amount of such Advance, which amount must be at least equal to $500,000, to be allocated to each Lender in accordance with its Pro Rata Share, (b) specify the proposed Funding Date of such Advance, (c) specify the Loan(s)

to be financed on such Funding Date (including the appropriate file number, Obligor, original loan balance, OLB, Assigned Value and Purchase Price for each Loan and identifying the proposed Advance Rate applicable to each such Loan) and (d) include a representation that all conditions precedent for an Advance described in Article III hereof have been met. Each Funding Notice shall be irrevocable. If any Funding Notice is received by the Administrative Agent and each Lender after 3:00 p.m. (Charlotte, North Carolina time) on the Business Day prior to the Business Day for which such Advance is requested or on a day that is not a Business Day, such Funding Notice shall be deemed to be received by the Administrative Agent and each Lender at 9:00 a.m. (Charlotte, North Carolina time) on the next Business Day.

(c) On the proposed Funding Date, subject to the limitations set forth in Section 2.1(b) and upon satisfaction of the applicable conditions set forth in Article III, each Lender shall make available to the Borrower in same day funds, by wire transfer to the account designated by Borrower in the Funding Notice given pursuant to this Section 2.2, an amount equal to such Lender's Pro Rata Share of the least of (i) the amount requested by the Borrower for such Advance, (ii) the aggregate unused Commitments then in effect and (iii) an amount equal to the Availability on such Funding Date.

(d) On each Funding Date, the obligation of each Lender to remit its Pro Rata Share of any such Advance shall be several from that of each other Lender and the failure of any Lender to so make such amount available to the Borrower shall not relieve any other Lender of its obligation hereunder.

Section 2.3. Reduction of the Facility Amount; Optional Repayments.

(a) The Borrower shall be entitled at its option, at any time prior to the occurrence of an Event of Default, to terminate the Facility Amount in whole or reduce in part the portion of the Facility Amount that exceeds the sum of the Advances Outstanding, accrued Interest and Breakage Costs; *provided* that (i) the Borrower shall give at least one (1) Business Day's prior written notice to the Administrative Agent of such termination or reduction in the form of Exhibit A-2; (ii) any partial reduction of the Facility Amount shall be in an amount equal to $5,000,000 and in integral multiples of $500,000 in excess thereof and (iii) in the case of such termination or reduction on or prior to August 22, 2012, the Borrower shall pay to the Administrative Agent the applicable Commitment Reduction Fee. Any request for a reduction or termination pursuant to this Section 2.3(a) shall be irrevocable. The Commitment of each Lender shall be reduced by an amount equal to its Pro Rata Share (prior to giving effect to any reduction of Commitments hereunder) of the aggregate amount of any reduction under this Section 2.3(a).

(b) The Borrower shall be entitled at its option, at any time, to reduce Advances Outstanding; *provided* that (i) the Borrower shall give at least one (1) Business Day's prior written notice of such reduction in the form of Exhibit A-2 to the Administrative Agent and (ii) any reduction of Advances Outstanding (other than with respect to repayments of Advances Outstanding made by the Borrower to reduce Advances Outstanding such that the Required Advance Reduction Amount is equal to zero) shall be in a minimum amount of $500,000 and in integral multiples of $100,000 in excess thereof. In connection with any such reduction of Advances Outstanding, the Borrower shall deliver to each Lender (1) instructions to reduce such

Advances Outstanding and (2) funds sufficient to repay such Advances Outstanding together with all accrued Interest and any Breakage Costs; *provided* that, the Advances Outstanding will not be reduced unless sufficient funds have been remitted to pay all such amounts in the succeeding sentence in full. The Administrative Agent shall apply amounts received from the Borrower pursuant to this Section 2.3(b) to the *pro rata* reduction of the Advances Outstanding, to the payment of accrued Interest on the amount of the Advances Outstanding to be repaid and to the payment of any Breakage Costs. Any Advance so repaid may, subject to the terms and conditions hereof, be reborrowed during the Revolving Period. Any Repayment Notice relating to any repayment pursuant to this Section 2.3(b) shall be irrevocable.

Section 2.4. Determination of Interest.

The Administrative Agent shall determine the Interest (including unpaid Interest related thereto, if any, due and payable on a prior Payment Date) to be paid by the Borrower with respect to each Advance on each Payment Date for the related Accrual Period and shall advise the Collateral Administrator thereof on the third Business Day prior to such Payment Date.

Section 2.5. Notations on Variable Funding Notes.

Each Lender is hereby authorized to enter on a schedule attached to the VFN with respect to such Lender, as applicable, a notation (which may be computer generated) or to otherwise record in its internal books and records or computer system with respect to each Advance under the VFN made by the applicable Lender of (a) the date and principal amount thereof and (b) each payment and repayment of principal thereof. Any such recordation shall, absent manifest error, constitute prima facie evidence of the outstanding Advances, as applicable, under each VFN. The failure of any Lender to make any such notation on the schedule attached to the applicable VFN shall not limit or otherwise affect the obligation of the Borrower to repay the Advances in accordance with the terms set forth herein.

Section 2.6. Principal Repayments.

(a) Unless sooner prepaid pursuant to the terms hereof, the Advances Outstanding shall be repaid in full on the Termination Date or on such later date as is agreed to in writing by the Borrower, the Collateral Administrator, the Administrative Agent and the Lenders.

(b) The Required Advance Reduction Amount may be reduced to zero by the Borrower taking one or more of the following actions:

(i) posts cash collateral in Dollars to the Principal Collection Account;

(ii) repays Advances Outstanding; or

(iii) posts additional Eligible Loans as Collateral; *provided* that the amount by which the Required Advance Reduction Amount shall be reduced pursuant to any such additional Eligible Loans shall be the Assigned Value of such Eligible Loans.

(c) All repayments of any Advance or any portion thereof shall be made together with payment of (i) all Interest accrued and unpaid on the amount repaid to (but excluding) the date of such repayment and (ii) all Breakage Costs.

Section 2.7. Settlement Procedures.

(a) On each Payment Date, so long as no Event of Default has occurred and is continuing, the Collateral Administrator shall direct the Collateral Custodian to pay pursuant to the latest Borrowing Base Certificate (and the Collateral Custodian shall make payment from the Interest Collection Account to the extent of Available Funds, in reliance on the information set forth in such Borrowing Base Certificate) to the following Persons, the following amounts in the following order of priority:

(1) to the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees;

(2) *pro rata* to each Lender, in an amount equal to any accrued and unpaid Interest;

(3) *pro rata* to (a) each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee and Breakage Costs and (b) to the Administrative Agent, any applicable Lender, the Collateral Custodian, the Affected Parties, the Indemnified Parties, or the Secured Parties, as applicable, all Fees and other amounts, including any Increased Costs, but other than the principal of Advances Outstanding, then due under this Agreement;

(4) *pro rata* to each Lender, if the Required Advance Reduction Amount is greater than zero, an amount necessary to reduce the Required Advance Reduction Amount to zero, *pro rata* in accordance with the amount of Advances Outstanding hereunder;

(5) to the applicable party, to pay all other Administrative Expenses;

(6) to the applicable Governmental Authority, any Tax or withholding Tax which, if not paid, could result in a Lien on the assets of the Borrower; and

(7) any remaining amounts shall be distributed to the Borrower.

(b) On each Payment Date, so long as no Event of Default has occurred and is continuing, the Collateral Administrator shall direct the Collateral Custodian to pay pursuant to the latest Borrowing Base Certificate (and the Collateral Custodian shall make payment from the Principal Collection Account to the extent of Available Funds, in reliance on the information set forth in such Borrowing Base Certificate) to the following Persons, the following amounts in the following order of priority:

(1) to the extent not paid pursuant to Section 2.7(a), to the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees;

(2) to the extent not paid pursuant to Section 2.7(a), *pro rata* to each Lender, in an amount equal to any accrued and unpaid Interest;

(3) to the extent not paid pursuant to Section 2.7(a), *pro rata* to (a) each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee and Breakage Costs and (b) to the Administrative Agent, any applicable Lender, the Collateral Custodian, the Affected Parties, the Indemnified Parties, or the Secured Parties, all other amounts, including any Increased Costs, but other than the principal of Advances Outstanding, then due under this Agreement;

(4) to the extent not paid pursuant to Section 2.7(a), *pro rata* to each Lender, if the Required Advance Reduction Amount is greater than zero, an amount necessary to reduce the Required Advance Reduction Amount to zero, *pro rata* in accordance with the amount of Advances Outstanding hereunder;

(5) during the Revolving Period, as directed by the Collateral Administrator, to repay Advances Outstanding, return cash to the Principal Collections Account and/or, if the Distribution Conditions are satisfied on such Payment Date, to be paid to the Borrower;

(6) after the end of the Revolving Period, to the Borrower in an amount sufficient to pay when due any Tax arising from Gains (including as a result of market discount) incurred prior to the Amendment and Restatement Effective Date (A) in respect of which no distribution has previously been made pursuant to this Section 2.7(b)(6) and (B) not subject to Independent Verification, calculated in accordance with the assumptions set forth in Section 6.5 of the AIV Limited Partnership Agreement as of the date hereof; *provided*, however, that the aggregate amount of such Gains for purposes of such calculation shall be net of any losses of the AIV, against which such Gains can be offset for tax purposes as of the date of such determination (including any losses of the AIV from prior periods after the Revolving Period which were not utilized to offset Gains in such prior period);

(7) after the end of the Revolving Period, to the Borrower in the amount requested by the Borrower pursuant to Section 2.14(b) for distribution by the Borrower to its members as part of the distributions to be made by the Borrower to its members that are required to enable the BDC to qualify annually as a "regulated investment company" under subchapter M of the Code and to avoid a liability for taxes under Section 4982 of the Code;

(8) after the end of the Revolving Period or after the occurrence and during the continuation of a Curable BDC Asset Coverage Event, to the Lenders to pay the Advances Outstanding;

(9) to the extent not paid pursuant to Section 2.7(a), to the applicable party to pay all other Administrative Expenses;

(10) to the extent not paid pursuant to Section 2.7(b)(6), to the applicable Governmental Authority, any Tax or withholding Tax which, if not paid, could result in a Lien on the assets of the Borrower; and

(11) any remaining amounts shall be distributed to the Borrower.

(c) The Collateral Administrator may, in its sole discretion, direct the Collateral Custodian to make a payment to the Borrower or to the Excess Future Funding Account from the Principal Collection Account on any Business Day other than a Payment Date if the Distribution Conditions are satisfied on such Business Day; provided that, if a Default or an Event of Default under Section 9.1(s) is the only Distribution Condition failed on any Business Day, the Collateral Administrator may direct the Collateral Custodian to make a payment to the Excess Future Funding Account from the Principal Collection Account on such Business Day for the purpose of curing such Default or Event of Default; provided further that, if on such Business Day (i) a Curable BDC Asset Coverage Event is the only Distribution Condition failed and (ii) the Borrower Payment Conditions are satisfied, the Collateral Administrator may direct the Collateral Custodian to make a payment to the Borrower from the Principal Collection Account in an amount up to the sum (without duplication) of (A) Prepayment Gains plus (B) the lesser of (1) the aggregate Market Discount accrued during the applicable Collection Period and (2) $3,000,000. For the avoidance of doubt, if no Market Discount has accrued during any Collection Period, the amount for purposes of clause (B) above shall be zero during such Collection Period.

(d) So long as no Default or Event of Default or Curable BDC Asset Coverage Event has occurred and is continuing, the Collateral Administrator may, in its sole discretion, direct the Collateral Custodian to, on any Business Day, transfer an amount not to exceed the Non-Borrowing Base Principal Collection Amount from the Principal Collection Account to the principal subaccount of the Borrower Collection Account or to the Excess Future Funding Account; provided that, if a Default or an Event of Default under Section 9.1(s) is the only Default, Event of Default or Curable BDC Asset Coverage Event continuing on any Business Day, the Collateral Administrator may direct the Collateral Custodian to make such a transfer to the Excess Future Funding Account from the Principal Collection Account on such Business Day for the purpose of curing such Default or Event of Default.

(e) So long as no Default or Event of Default has occurred and is continuing, the Collateral Administrator may, in its sole discretion, direct the Collateral Custodian to, on any Business Day, transfer an amount not to exceed the Non-Borrowing Base Interest Collection Amount from the Interest Collection Account to the interest subaccount of the Borrower Collection Account or to the Excess Future Funding Account; provided that, if a Default or an Event of Default under Section 9.1(s) is the only Default or Event of Default continuing on any Business Day, the Collateral Administrator may direct the Collateral Custodian to make such a transfer to the Excess Future Funding Account from the Interest Collection Account on such Business Day for the purpose of curing such Default or Event of Default. For the avoidance of

doubt, such transfer may be made during the continuation of a Curable BDC Asset Coverage Event.

(f) The Collateral Administrator may, in its sole discretion, direct the Collateral Custodian to make a payment to the Borrower or to the Excess Future Funding Account from (i) the principal subaccount of the Borrower Collection Account on any Business Day so long as the Collateral Administrator certifies to the Administrative Agent that, both immediately prior to and immediately after giving effect to any such payment, (A) no Default or Event of Default or Curable BDC Asset Coverage Event has occurred and is continuing or would occur as a result of such payment and (B) there is no Borrowing Base Deficiency and/or (ii) the interest subaccount of the Borrower Collection Account on any Business Day so long as the Collateral Administrator certifies to the Administrative Agent that, both immediately prior to and immediately after giving effect to any such payment, (A) no Default or Event of Default has occurred and is continuing or would occur as a result of such payment and (B) there is no Borrowing Base Deficiency; provided that, if a Default or an Event of Default under Section 9.1(s) is the only Default, Event of Default or, if applicable, Curable BDC Asset Coverage Event continuing on any Business Day, the Collateral Administrator may direct the Collateral Custodian to make any payment described above to the Excess Future Funding Account from the Borrower Collection Account on such Business Day for the purpose of curing such Default or Event of Default.

(g) Upon the occurrence and during the continuation of a Default or an Event of Default, the Collateral Custodian shall, on a daily basis, transfer all amounts on deposit in the Borrower Collection Account to the Collection Account.

(h) On each Borrowing Base Certificate delivered on any Payment Date where a distribution is requested pursuant to Section 2.7(b)(6), the Borrower shall set forth an itemized computation of the amount which would be distributed pursuant to Section 2.7(b)(6) (assuming sufficient Available Funds after distributions per Section 2.7(b)(1)-(5)) including calculation in reasonable detail regarding each component of such calculation as set forth herein and in the related Borrowing Base Certificate. Such Borrowing Base Certificate shall set forth the amount of Gains (minus any such Gains for which a distribution has previously been made pursuant to Section 2.7(b)(6)) pursuant to which such Borrowing Base Certificate is being delivered, the amount of losses of the Borrower and the AIV available to offset such Gains, the applicable tax rates used in calculating such Taxes, and all other factors used to calculate such Tax. Upon at least one (1) Business Day's notice to the Borrower and the Collateral Custodian prior to the relevant Payment Date, the Administrative Agent may request independent verification of the inputs and calculations set forth in such Borrowing Base Certificate from an independent accounting firm (an "Independent Verification"), selected by the Administrative Agent, and reasonably acceptable to the Borrower and the AIV. Such accounting firm shall be required to provide such verification within thirty (30) days of its engagement, and the determination of such accounting firm shall be final and binding on all parties. During the verification procedure the Collateral Custodian shall hold all Available Funds otherwise distributable on the Payment Date pursuant to Section 2.7(b)(6) in escrow for distribution as soon as such verification is finalized. All parties to this Agreement shall cooperate fully with such accounting firm and provide, subject to confidentiality arrangements, all information and data requested by such accounting firm. The fee for such accounting firm's verification shall be

borne by the Administrative Agent, unless the determination concludes that there is a five (5) percent or greater overstatement in the amount of distribution set forth in such Borrowing Base Certificate, in which case the fee will be borne by the Borrower and treated as an Administrative Expense.

(i) On any Business Day, the Collateral Administrator may direct the Collateral Custodian to use amounts on deposit in the Excess Future Funding Account to either (i) make a payment under a Future Funding Obligation, and/or (ii) make a deposit into the Interest Collection Account (but only to the extent that (A) amounts on deposit in the Excess Future Funding Account originally came from the Interest Collection Account and (B) no Borrowing Base Deficiency exists either immediately prior to or after giving effect to such payment or deposit) or the Principal Collection Account.

Section 2.8. Alternate Settlement Procedures.

On each Business Day following the occurrence of and during the continuation of an Event of Default, the Collateral Administrator (or, after delivery of a Notice of Exclusive Control, the Administrative Agent) shall direct the Collateral Custodian to pay pursuant to the latest Borrowing Base Certificate (and the Collateral Custodian shall make payment from the Collection Account to the extent of Available Funds, in reliance on the information set forth in such Borrowing Base Certificate) to the following Persons, the following amounts in the following order of priority:

(1) to the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees;

(2) to the Collateral Administrator, in an amount equal to any accrued and unpaid Collateral Administration Fees;

(3) *pro rata* to each Lender, in an amount equal to any accrued and unpaid Interest;

(4) *pro rata* to (a) each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee and Breakage Costs and (b) to the Administrative Agent, any applicable Lender, the Collateral Custodian, the Affected Parties, the Indemnified Parties, or the Secured Parties, as applicable, all other Fees and amounts, including any Increased Costs, but other than the principal of Advances Outstanding, then due under this Agreement;

(5) *pro rata* to the Lenders to pay Advances Outstanding;

(6) to the applicable party, to pay all other Administrative Expenses;

(7) to the applicable Governmental Authority, any Tax or withholding Tax which, if not paid, could result in a Lien on the assets of the Borrower; and

(8) any remaining amounts shall be distributed to the Borrower.

Section 2.9. Collections and Allocations.

(a) Collections. The Collateral Administrator shall promptly identify any collections received as being on account of Interest Collections or Principal Collections and shall transfer, or cause to be transferred, all Collections received directly by it to the appropriate Collection Account by the close of business on the Business Day after such Collections are received. Upon the transfer of Collections to the Collection Account, the Collateral Administrator shall segregate Principal Collections and Interest Collections and transfer the same to the Principal Collection Account and the Interest Collection Account, respectively. The Collateral Administrator shall further include a statement as to the amount of Principal Collections and Interest Collections on deposit in the Principal Collection Account and the Interest Collection Account on each Reporting Date in the Borrowing Base Certificate delivered pursuant to Section 5.1(q).

(b) Excluded Amounts. With the prior written consent of the Administrative Agent, the Collateral Administrator may withdraw from the Collection Account any deposits thereto constituting Excluded Amounts if the Collateral Administrator has, prior to such withdrawal and consent, delivered to the Administrative Agent and each Lender a report setting forth the calculation of such Excluded Amounts in form and substance reasonably satisfactory to the Administrative Agent and each Lender.

(c) Initial Deposits. On the Funding Date with respect to any Loan or Additional Loan, the Collateral Administrator will deposit into the Collection Account all Collections received in respect of Loans being transferred to and included as part of the Collateral on such date.

(d) Investment of Funds. Until the occurrence of an Event of Default, to the extent there are uninvested amounts deposited in the Collection Account, all such amounts shall be invested in Permitted Investments selected by the Collateral Administrator on each Payment Date (or pursuant to standing instructions provided by the Collateral Administrator); *provided* that, from and after the occurrence of an Event of Default, to the extent there are uninvested amounts in the Collection Account, all such amounts may be invested in Permitted Investments selected by the Administrative Agent (which may be standing instructions). All earnings (net of losses and investment expenses) thereon shall be retained or deposited into the Collection Account and shall be applied on each Payment Date pursuant to the provisions of Section 2.7 and Section 2.8 (as applicable).

Section 2.10. Payments, Computations, Etc.

(a) Unless otherwise expressly provided herein, all amounts to be paid or deposited by the Borrower or the Collateral Administrator hereunder shall be paid or deposited in accordance with the terms hereof no later than 3:00 p.m. (Charlotte, North Carolina time) on the day when due in lawful money of the United States in

immediately available funds and any amount not received before such time shall be deemed received on the next Business Day. The

Borrower or the Collateral Administrator, as applicable, shall, to the extent permitted by law, pay to the Secured Parties interest on all amounts not paid or deposited when due hereunder at 6.00% *per annum* above the Prime Rate, payable on demand; *provided* that such interest rate shall not at any time exceed the maximum rate permitted by Applicable Law. Such interest shall be for the account of the applicable Secured Party. All computations of interest and other fees hereunder shall be made on the basis of a year consisting of 360 days (other than calculations with respect to the Base Rate, which shall be based on a year consisting of 365 or 366 days, as applicable) for the actual number of days elapsed.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of Interest or any fee payable hereunder, as the case may be. For avoidance of doubt, to the extent that Available Funds are insufficient on any Payment Date to satisfy the full amount of any Increased Costs pursuant to Section 2.12, such unpaid amounts shall remain due and owing and shall accrue interest as provided in Section 2.10(a) until repaid in full.

(c) If any Advance requested by the Borrower is not effectuated as a result of the Borrower's actions or failure to fulfill any condition under Section 3.2, as the case may be, on the date specified therefor, the Borrower shall indemnify the applicable Lender against any reasonable loss, cost or expense incurred by the applicable Lender, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by the applicable Lender to fund or maintain such Advance, but excluding the Applicable Spread.

Section 2.11. Fees.

(a) The Collateral Administrator on behalf of the Borrower shall pay or cause to be paid in accordance with Section 2.7(a)(3) and Section 2.8(4), as applicable, to each applicable Lender, quarterly in arrears, the applicable Non-Usage Fee.

(b) The Collateral Administrator on behalf of the Borrower shall pay or cause to be paid to each applicable Lender, in respect of each yearly anniversary of the Closing Date, the Due Diligence Fee.

(c) The Collateral Administrator on behalf of the Borrower shall pay or cause to be paid to the Administrative Agent, on the Amendment and Restatement Effective Date, each of the Facility Extension Fee and the Facility Upsize Fee.

(d) The Collateral Custodian shall be entitled to receive the Collateral Custodian Fee in accordance with Section 2.7(a)(1) and Section 2.8(1), as applicable.

(e) The Borrower shall pay to Cadwalader, Wickersham & Taft LLP as counsel to the Administrative Agent, within two (2) Business Days following an invoice therefor, its reasonable estimated fees and out-of-pocket expenses through the Amendment and Restatement Effective Date, and shall pay all additional reasonable fees and out-of-pocket expenses of Cadwalader, Wickersham & Taft LLP required to be paid by the Borrower hereunder within thirty (30) days after receiving an invoice for such amounts.

Section 2.12. Increased Costs; Capital Adequacy; Illegality.

(a) If either (i) the introduction of or any change (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation of any Applicable Law or (ii) the compliance by an Affected Party with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), shall (a) subject an Affected Party to any Tax (except for Taxes covered by Section 2.13 and changes in the rate on the overall net income of such Lender) with respect to its interest in the Collateral, or any right or obligation to make Advances hereunder, or on any payment made hereunder, (b) impose, modify or deem applicable any reserve requirement (including, without limitation, any reserve requirement imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve requirement, if any, included in the determination of Interest), special deposit or similar requirement against assets of, deposits with or for the amount of, or credit extended by, any Affected Party or (c) impose any other condition affecting the ownership interest in the Collateral conveyed to the Lenders hereunder or any Affected Party's rights hereunder or under any other Transaction Document, the result of which is to increase the cost to any Affected Party or to reduce the amount of any sum received or receivable by an Affected Party under this Agreement or under any other Transaction Document, then on the Payment Date following demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost incurred or such reduction suffered.

(b) If either (i) the introduction of or any change in or in the interpretation of any law, guideline, rule, regulation, directive or request or (ii) compliance by any Affected Party with any law, guideline, rule, regulation, directive or request from any central bank or other Governmental Authority or agency (whether or not having the force of law), including, without limitation, compliance by an Affected Party with any request or directive regarding capital adequacy has or would have the effect of reducing the rate of return on the capital of any Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which any such Affected Party could have achieved but for such introduction, change or compliance (taking into consideration the policies of such Affected Party with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time, on the Payment Date following demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction. For the avoidance of doubt, if the issuance of any amendment or supplement to Interpretation No. 46 or to Statement of Financial Accounting Standards No. 140 by the Financial Accounting Standards Board or any other change in accounting standards or the issuance of any other pronouncement, release or interpretation, causes or requires the consolidation of all or a portion of the assets and liabilities of the Borrower or any Lender with the assets and liabilities of the Administrative Agent, any Lender or shall otherwise impose any loss, cost, expense, reduction of return on capital or other loss, such event shall constitute a circumstance on which such Affected Party may base a claim for reimbursement under this Section 2.12.

(c) If as a result of any event or circumstance similar to those described in clause (a) or (b) of this Section 2.12, any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party in connection with this Agreement or the funding or maintenance of Advances hereunder, then within ten (10) days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts payable or paid by it.

(d) In determining any amount provided for in this Section 2.12, the Affected Party may use any reasonable averaging and attribution methods. Any Affected Party making a claim under this Section 2.12 shall submit to the Collateral Administrator a written description as to such additional or increased cost or reduction and

the calculation thereof, which written description shall be conclusive absent manifest error.

(e) If a Eurodollar Disruption Event as described in clause (a) of the definition of "Eurodollar Disruption Event" with respect to any Lender occurred, such Lender shall in turn so notify the Borrower, whereupon all Advances Outstanding of the affected Lender in respect of which Interest accrues at the LIBOR Rate shall immediately be converted into Advances Outstanding in respect of which Interest accrues at the Base Rate.

(f) Failure or delay on the part of any Affected Party to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Affected Party's right to demand or receive such compensation. Notwithstanding anything to the contrary in this Section 2.12, the Borrower shall not be required to compensate an Affected Party pursuant to this Section 2.12 for any amounts incurred more than six (6) months prior to the date that such Affected Party notifies the Borrower of such Affected Party's intention to claim compensation therefor; *provided* that, if the circumstances giving rise to such claim have a retroactive effect, then such six (6) month period shall be extended to include the period of such retroactive effect.

(g) Each Lender agrees that it will take such commercially reasonable actions as the Borrower may reasonably request that will avoid the need to pay, or reduce the amount of, any increased amounts referred to in this Section 2.12 or Section 2.13; *provided* that no Lender shall be obligated to take any actions that would, in the reasonable opinion of such Lender, be disadvantageous to such Lender. In no event will Borrower be responsible for increased amounts referred to in this Section 2.12 which relates to any other entities to which Lenders provide financing.

Section 2.13. Taxes.

(a) All payments made by an Obligor in respect of a Loan and all payments made by the Borrower or Collateral Custodian under this Agreement or any other Transaction Document will be made free and clear of and without deduction or withholding for or on account of any Taxes unless required by Applicable Law. If any Taxes are required to be withheld from any amounts payable to the Borrower or to any Indemnified Party, then the amount payable to such Person will be increased (the amount of such increase, the "Additional Amount") such that every net payment made under this Agreement or any other Transaction Document after withholding for or on account of any such Taxes (including, without limitation, any Taxes on

such increase) is not less than the amount that would have been paid had no such deduction or withholding been made. The foregoing obligation to pay Additional Amounts with respect to payments required to be made under this Agreement will not, however, apply with respect to (i) net income, franchise Taxes or other similar Taxes imposed on any Indemnified Party (or, in the case of a pass-through entity with respect to such Taxes, any of its beneficial owners) by a taxing jurisdiction in which any such Person (or, in the case of a pass-through entity with respect to such Taxes, any of its beneficial owners) is organized, conducts business or maintains its lending office), (ii) any Taxes that would not have been imposed but for a present or former connection between the Indemnified Party (or, in the case of a pass-through entity with respect to such Taxes, any of its beneficial owners) and the jurisdiction imposing such Taxes (other than a connection arising solely from such Indemnified Party's having executed, delivered, enforced or performed its obligation, or received payment, under this Agreement), (iii) any Taxes that are United States federal withholding taxes imposed under FATCA or (iv) any Taxes imposed by reason of the failure of such Indemnified Party (or, in the case of a pass-through entity with respect to such Taxes, any of its beneficial owners) to comply with Section 2.13(d) other than (A) if such failure is due to a Change of Tax Law or (B) if it is legally inadvisable or otherwise commercially disadvantageous for such Indemnified Party to deliver such form or certificate and such form or certificate would require the disclosure of materially different information than the form or certificate that is or would be required with respect to such Indemnified Party pursuant to Section 2.13(d) within fifteen (15) days after the date hereof if it were an Indemnified Party on such date (clauses (i)-(iv), collectively, the "Excluded Taxes").

(b) The Borrower hereby indemnifies each Indemnified Party for the full amount of Taxes (other than Excluded Taxes) imposed with respect to any payment made by the Borrower or any Affiliate of the Borrower under this Agreement or any other Transaction Document and Taxes payable by such Person in respect of Additional Amounts and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. All payments in respect of this indemnification shall be made on the Payment Date following the date a written demand therefor is delivered to the Borrower.

(c) Within thirty (30) days after the date of any payment by the Borrower, any Affiliate of the Borrower or Collateral Custodian of any withheld Taxes, the Borrower will furnish to the Administrative Agent and each of the Lenders at the applicable address set forth on Annex A to this Agreement a certified copy of the original official receipt evidencing payment of the Tax or, if such original official receipt is not available, other appropriate evidence of payment thereof reasonably acceptable to the Indemnified Party.

(d) Each Lender shall, to the extent required (and, in the case of a pass-through entity for the applicable Tax purposes, shall cause any of its beneficial owners to), deliver to the Borrower, with a copy to the Administrative Agent, (i) within fifteen (15) days after the date hereof, or at the time or times otherwise reasonably requested by the Borrower or the Administrative Agent, two (or such other number as may from time to time be prescribed by Applicable Law) duly completed copies of U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI or other Form W-8 or Form W-9 (or any successor forms or other certificates or statements that may be required from time to time by the relevant United States taxing authorities or Applicable Law), as appropriate, to permit the Borrower to make payments hereunder for the account of such Lender without deduction or withholding or to permit

deduction or withholding at a reduced rate of United States federal income or similar Taxes and (ii) upon the obsolescence of or after the occurrence of any event requiring a change in, any form or certificate previously delivered pursuant to this Section 2.13(d), copies (in such numbers as may from time to time be prescribed by Applicable Law or regulations) of such additional, amended or successor forms, certificates or statements as may be required under Applicable Law to permit the Borrower to make payments hereunder for the account of such Lender without deduction or withholding or to permit deduction or withholding at a reduced rate of United States federal income or similar Taxes to the extent such Lender is permitted to do so under Applicable Law. From time to time, each Lender shall (and, in the case of a pass-through entity for the applicable Tax purpose, shall cause any of its beneficial owners to) promptly submit to the Borrower such additional duly completed and signed forms or certificates (or such successor forms or certificates as shall be adopted from time to time by the relevant taxing authorities) as may then be available under then Applicable Laws to claim any available exemption from or reduction of any Taxes in respect of any payment to be made to such Lender pursuant to this Agreement.

(e) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower and the Collateral Administrator contained in this Section 2.13 shall survive the termination of this Agreement.

Section 2.14. Maximum Gain Distribution Amount.

(a) The Borrower may, in the last Borrowing Base Certificate delivered prior to the Revolving Period End Date, designate the initial Maximum Gain Distribution Amount, which initial Maximum Gain Distribution Amount shall not exceed the lesser of (i) the Availability immediately prior to the end of the Revolving Period and (ii) $20,000,000. Such designation shall include evidence satisfactory to the Administrative Agent in its sole discretion of realized and/or unrealized Gains in an amount equal to or greater than such designated initial Maximum Gain Distribution Amount. For the avoidance of doubt, once the initial Maximum Gain Distribution Amount is designated by the Borrower pursuant to this Section 2.14(a), it may not be increased for any reason.

(b) On any Payment Date after the Revolving Period End Date, the Borrower may request a distribution pursuant to Section 2.7(b)(7) in an amount

equal to the lesser of (x) all realized Gains (including as a result of market discount) as of such date that were realized on and after the Amendment and Restatement Effective Date in respect of which no prior distributions have been made pursuant to Section 2.7(b)(7) (*provided*, *however*, that the aggregate amount of such Gains for purposes of such calculation shall be net of any realized losses of the Borrower against which such Gains can be offset for the BDC's tax purposes as of the date of such determination (including any realized losses of the Borrower from prior periods which were not utilized to offset Gains in such prior period for the BDC's tax purposes)) and (y) the Maximum Gain Distribution Amount as of such date. Each such request shall include (i) evidence satisfactory to the Administrative Agent in its sole discretion of the realized Gains (including as a result of market discount) and (ii) certification by the Borrower that (A) no Default, Event of Default or Curable BDC Asset Coverage Event has occurred and is continuing or would occur after giving effect to the requested distribution and (B) immediately prior to and immediately after giving effect to the requested distribution, there is no Borrowing Base Deficiency.

(c) On any date (other than a Payment Date) after the designation of the initial Maximum Gain Distribution Amount pursuant toSection 2.14(a), the Borrower may permanently reduce the Maximum Gain Distribution Amount in whole or in part by providing written notice to both the Administrative Agent and the Collateral Custodian of the dollar amount of such requested reduction.

Section 2.15. Discretionary Sales.

Prior to the Revolving Period Termination Date, the Borrower shall have the right to sell Loans (each, a "Discretionary Sale"), subject to the following terms and conditions:

(i) Any Discretionary Sale shall be made by the Collateral Administrator, on behalf of the Borrower, to an unaffiliated third party purchaser in a transaction (i) reflecting arms-length market terms and (ii) in which the Borrower makes no representations, warranties or covenants and provides no indemnification for the benefit of any other party to the Discretionary Sale (other than that the Borrower has good title thereto, free and clear of all Liens and has the right to sell the related Loan), *provided* that, the Borrower may make a Discretionary Sale to an Affiliate of the Borrower with the prior written consent of the Administrative Agent in its sole discretion;

(ii) After giving effect to the Discretionary Sale, the receipt of funds provided for in clause (iii) below and the assignment to the Borrower of the Collateral on any Discretionary Sale Date, the Administrative Agent and each lender shall have received from the Borrower a certificate establishing (and in the case of clause (a) including detail and a Borrowing Base calculation) that (a) the Required Advance Reduction Amount is equal to zero, (b) the representations and warranties contained in Section 4.1 hereof shall continue to be correct in all material respects, except to the extent relating to an earlier date and (c) no Event of Default shall have resulted;

(iii) On the related Discretionary Sale Date, the Administrative Agent, each Lender and the Collateral Custodian, as applicable, shall have received, as applicable, in immediately available funds, an amount equal to the sum of (a) an amount sufficient to reduce the Advances Outstanding such that, after giving effect to the transfer of the Loans that are the subject of such Discretionary Sale, the Required Advance Reduction Amount will be equal to zero plus (b) an amount equal to all unpaid Interest then due and owing to the extent reasonably determined by the Administrative Agent and the Lenders to be attributable to that portion of the Advances Outstanding to be repaid in connection with the Discretionary Sale plus (c) an aggregate amount equal to the sum of all other Obligations due and owing to the Administrative Agent, each applicable Lender, the Affected Parties and the Indemnified Parties, as applicable, under this Agreement and the other Transaction Documents;

(iv) On the related Discretionary Sale Date, the proceeds (net of normal transactional expenses) from such Discretionary Sale have been sent directly into the Collection Account; and

(v) No such Discretionary Sale may, without the prior written consent of the Administrative Agent, in its sole discretion, be made if an Event of Default has occurred

and is continuing and the Obligations have been accelerated as a result thereof (and such acceleration has not been rescinded).

If a Loan owned by the Borrower ceases to be an Eligible Loan solely due to a breach of representation or warranties of the seller, that Loan may be sold back to the seller upon notice to (but not the prior written consent of) the Administrative Agent if all other requirements of a Discretionary Sale (as set forth in this Section 2.15) are satisfied as of the date of such sale back to the seller.

ARTICLE III.

CONDITIONS TO CLOSING AND ADVANCES

Section 3.1. Conditions to Amendment and Restatement.

No Lender shall be obligated to make any Advance hereunder, nor shall any Lender, the Administrative Agent or the Collateral Custodian be obligated to take, fulfill or perform any other action hereunder, until the following conditions have been satisfied, in the sole discretion of, or waived in writing by the Administrative Agent:

(a) Each Transaction Document shall have been duly executed by, and delivered to, the parties thereto, and the Administrative Agent shall have received such other documents, instruments, agreements and legal opinions as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement, including, without limitation, all those specified in the schedule of condition precedent documents attached hereto as Schedule I, each in form and substance satisfactory to the Administrative Agent;

(b) The Administrative Agent shall have received satisfactory evidence that the Borrower has obtained all required consents and approvals of all Persons to the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby or thereby;

(c) The Borrower shall have delivered to the Administrative Agent a certification in the form ofExhibit D, and such certification shall include a representation that the Borrower has neither incurred nor suffered to exist any Indebtedness (other than pursuant to the Existing Loan and Security Agreements) as of the Amendment and Restatement Effective Date;

(d) The Borrower shall have delivered to the Administrative Agent a certificate as to whether the Borrower is Solvent in the form ofExhibit C.

(e) The Collateral Administrator shall have delivered to the Administrative Agent certification that no Change of Control or Collateral Administrator Termination Event has occurred and is continuing.

(f) The Administrative Agent shall have received, with a counterpart for each Lender, the executed legal opinion of Simpson Thacher & Bartlett LLP,

counsel to the Borrower,

covering enforceability, grant and perfection of the security interests on the Collateral, in form and substance acceptable to the Administrative Agent in its reasonable discretion.

(g) The Administrative Agent and each Lender shall have received copies of the Credit and Collection Policy.

(h) The Administrative Agent and the Lenders shall have received, sufficiently in advance of the Amendment and Restatement Effective Date, all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

(i) On or prior to the Amendment and Restatement Effective Date, each applicable Lender shall have received a duly executed copy of its Variable Funding Note, in a principal amount equal to the Commitment of such Lender.

(j) The UCC-1 financing statement is in proper form for filing in the filing office of the appropriate jurisdiction and, when filed, together with the Securities Account Control Agreement, is effective to perfect the Secured Parties' security interest in the Collateral such that the Secured Parties' security interest in the Collateral ranks senior to that of any other creditors of the Borrower (whether now existing or hereafter acquired).

(k) The SPV Mergers shall occur simultaneously with the closing hereunder.

Section 3.2. Conditions Precedent to All Advances.

(a) Each Advance under this Agreement and each reinvestment of Principal Collections pursuant to either Section 2.7(b) or Section 2.7(c) (each, a "Transaction") shall be subject to the further conditions precedent that:

(i) with respect to any Advance, the Collateral Administrator shall have delivered to the Administrative Agent (with a copy to the Collateral Custodian) no later than 3:00 p.m. (Charlotte, North Carolina time), one (1) Business Day prior to the related Funding Date:

(1) a Funding Notice in the form of Exhibit A-1, a Borrowing Base Certificate and a Loan List; and

(2) a Certificate of Assignment in the form of Exhibit F to the Loan and Security Agreement including Exhibit A thereto and containing such additional information as may be reasonably requested by the Administrative Agent and each Lender;

(ii) with respect to any reinvestment of Principal Collections permitted by Section 2.7(b) or Section 2.7(c), the Collateral Administrator shall have delivered to the Administrative Agent, no later than 3:00 p.m. on the Business Day prior to any such

reinvestment, a Reinvestment Notice in the form of Exhibit A-3 and a Borrowing Base Certificate, executed by the Collateral Administrator and the Borrower;

(b) On the date of such Transaction the following shall be true and correct and the Borrower and the Collateral Administrator shall have certified in the related Borrower's Notice that all conditions precedent to the requested Advance have been satisfied and shall thereby be deemed to have certified that:

(i) The representations and warranties contained in Section 4.1 and Section 4.2 are true and correct in all respects on and as of such day as though made on and as of such day and shall be deemed to have been made on such day (other than any representation and warranty that is made as of a specific date);

(ii) No event has occurred, or would result from such Transaction or from the application of proceeds thereof, that constitutes an Event of Default, Default or Collateral Administrator Termination Event;

(iii) On and as of such day, after giving effect to such Transaction, the Availability is greater than or equal to zero;

(iv) On and as of such day, the Borrower and the Collateral Administrator each has performed all of the covenants and agreements contained in this Agreement to be performed by such Person on or prior to such day;

(v) No Applicable Law shall prohibit or enjoin the making of such Advance by any Lender or the proposed reinvestment of Principal Collections.

(c) The Revolving Period End Date or the Termination Date shall not have occurred;

(d) On the date of such Transaction, the Administrative Agent shall have received such other approvals, opinions or documents as the Administrative Agent may reasonably require;

(e) The Borrower and Collateral Administrator shall have delivered to the Administrative Agent all reports required to be delivered as of the date of such Transaction including, without limitation, all deliveries required by Section 2.2;

(f) The Borrower shall have paid all fees then required to be paid and, without duplication of Section 2.11(e), shall have reimbursed the Lenders, the Collateral Custodian and the Administrative Agent for all fees, costs and expenses then required to be paid of closing the transactions contemplated hereunder and under the other Transaction Documents, including the reasonable attorney fees and any other legal and document preparation costs incurred by the Lenders, the Collateral Custodian and the Administrative Agent;

(g) The Borrower shall have received a copy of a notice substantially in the form of Exhibit A-5 attached hereto, executed by the Administrative Agent, evidencing the

approval of the Administrative Agent, in its sole discretion in accordance with clause (B) of the definition of "Eligible Loan", of the Loans to be added to the Collateral;

(h) The Borrower shall have delivered to the Administrative Agent an Officer's Certificate (which may be part of the applicable Borrower's Notice) in form and substance reasonably satisfactory to the Administrative Agent certifying that each of the foregoing conditions precedent has been satisfied; and

(i) a Curable BDC Asset Coverage Event shall not have occurred and be continuing.

The failure of the Borrower to satisfy any of the foregoing conditions precedent in respect of any Advance shall give rise to a right of the Administrative Agent and the applicable Lender, which right may be exercised at any time on the demand of the applicable Lender, to rescind the related Advance and direct the Borrower to pay to the Administrative Agent for the benefit of the applicable Lender an amount equal to the Advances made during any such time that any of the foregoing conditions precedent were not satisfied.

Section 3.3. Custodianship; Transfer of Loans and Permitted Investments.

(a) The Administrative Agent shall hold all Certificated Securities (whether Loans or Permitted Investments) and Instruments in physical form at the Corporate Trust Office. Any successor Collateral Custodian shall be a state or national bank or trust company which is not an Affiliate of the Borrower and which is a Qualified Institution.

(b) Each time that the Borrower (or the Collateral Administrator on behalf of the Borrower) shall direct or cause the acquisition of any Loan or Permitted Investment, the Borrower shall (or the Collateral Administrator on behalf of the Borrower), if such Loan or Permitted Investment has not already been transferred in accordance with its Underlying Instruments (including obtaining any necessary consents) to the Collateral Custodian, cause the transfer of such Loan or Permitted Investment in accordance with its Underlying Instruments (including obtaining any necessary consents) to the Collateral Custodian to be credited by the Collateral Custodian to the Collateral Account in accordance with the terms of this Agreement. The security interest of the Administrative Agent in the funds or other property utilized in connection with such acquisition shall, immediately and without further action on the part of the Administrative Agent, be released.

(c) The Borrower (or the Collateral Administrator on behalf of the Borrower) shall cause all Loans or Permitted Investments acquired by the Borrower to be transferred to the Collateral Custodian for credit by the Collateral Custodian to the Collateral Account, and shall cause all Loans and Permitted Investments acquired by the Borrower to be delivered to the Collateral Custodian by one of the following means (and shall take any and all other actions necessary to create and perfect in favor of the Administrative Agent a valid security interest in each Loan and Permitted Investment, which security interest shall be senior (subject to Permitted Liens) to that of any other creditor of the Borrower (whether now existing or hereafter acquired):

(i) in the case of an Instrument or a Certificated Security represented by a Security Certificate in registered form by having it Indorsed to the Collateral Custodian or

in blank by an effective Indorsement or registered in the name of the Administrative Agent and by (A) delivering such Instrument or Security Certificate to the Collateral Custodian at the Corporate Trust Office and (B) causing the Collateral Custodian to maintain (on behalf of the Administrative Agent) continuous possession of such Instrument or Security Certificate at the Corporate Trust Office;

(ii) in the case of an Uncertificated Security, by (A) causing the Administrative Agent to become the registered owner of such Uncertificated Security and (B) causing such registration to remain effective;

(iii) in the case of any Security Entitlement, by causing each such Security Entitlement to be credited to a Securities Account in the name of the Borrower pursuant to the Securities Account Control Agreement;

(iv) in the case of General Intangibles (including any Loan or Permitted Investment not evidenced by an Instrument) by filing, maintaining and continuing the effectiveness of, a financing statement naming the Borrower as debtor and the Administrative Agent as secured party and describing the Loan or Permitted Investment (as the case may be) as the collateral at the filing office of the Secretary of State for the State of Delaware.

(d) The security interest of the Administrative Agent in any Collateral disposed of in a transaction permitted by this Agreement shall, immediately and without further action on the part of the Administrative Agent, be released and the Collateral Custodian shall immediately release such Collateral to, or as directed by, the Borrower.

(e) On the Amendment and Restatement Effective Date, the Collateral Custodian shall transfer all Collateral held in each Account (as defined in the Existing Loan and Security Agreements) to the corresponding Account.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows as of the Amendment and Restatement Effective Date and, thereafter, as of each Funding Date and each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made:

(a) Organization and Good Standing. The Borrower has been duly organized, and is validly existing as a limited liability company in good standing, under the laws of the State of Delaware, with all requisite limited liability company power and authority to own or lease its properties and conduct its business as such business is presently conducted, and had at all relevant times, and now has all necessary power, authority and legal right to acquire, own and sell the Collateral.

(b) Due Qualification. The Borrower is (i) duly qualified to do business and is in good standing as a limited liability company in its jurisdiction of formation, and (ii) has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be so qualified or to have obtained such licenses or approvals could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Borrower (i) has all necessary limited liability company power, authority and legal right to (a) execute and deliver each Transaction Document to which it is a party, and (b) carry out the terms of the Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary limited liability company action, the execution, delivery and performance of each Transaction Document to which it is a party and the transfer and assignment of an ownership and security interest in the Collateral on the terms and conditions herein provided. This Agreement and each other Transaction

Document to which the Borrower is a party have been duly executed and delivered by the Borrower.

(d) Binding Obligation. Each Transaction Document to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms, except as such enforceability may be limited by Insolvency Laws and by general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by each Transaction Document to which it is a party and the fulfillment of the terms thereof will not (i) in any material respect conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Borrower's certificate of formation, the Borrower LLC Agreement or any Contractual Obligation of the Borrower, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the Borrower's properties pursuant to the terms of any such Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law in any material respect.

(f) Agreements. The Borrower is not a party to any agreement or instrument or subject to any corporate restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect. The Borrower is not in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such defaults could reasonably be expected to result in a Material Adverse Effect.

(g) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Borrower, threatened against the Borrower, before any Governmental Authority (i) asserting the invalidity of any Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by any Transaction Document to which the Borrower is a party or (iii) that could reasonably be expected to have Material Adverse Effect.

(h) All Consents Required. All approvals, authorizations, consents, orders, licenses, filings or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Borrower of each Transaction Document to which the Borrower is a party have been obtained.

(i) Bulk Sales. The execution, delivery and performance of this Agreement and the transactions contemplated hereby do not require compliance with any "bulk sales" act or similar law by the Borrower.

(j) Solvency. The Borrower is not the subject of any Insolvency Proceedings or Insolvency Event. The transactions under the Transaction Documents to which the Borrower is a party do not and will not render the Borrower not Solvent and the Borrower shall deliver to the Administrative Agent on the Amendment and Restatement Effective Date a certification in the form of Exhibit C.

(k) Taxes.

(i) (A) the BDC and AIV Holding are United States persons within the meaning of Section 7701(a)(30) of the Code and are treated as corporations for U.S. federal income tax purposes, (B) New Mountain Finance Advisors BDC is a United States person within the meaning of Section 7701(a)(30) of the Code and is treated for U.S. federal income tax purposes as a disregarded entity wholly owned by a United States person within the meaning of Section 7701(a)(30) of the Code and (C) the Borrower is a United States person within the meaning of Section 7701(a)(30) of the Code, is treated as a partnership for U.S. federal income tax purposes, and is owned by the Taxable Entities, and other entities that are United States persons within the meaning of Section 7701(a)(30) of the Code.

(ii) Each of the Borrower, the AIV, New Mountain Finance Advisors BDC and each Taxable Entity has filed or caused to be filed all material tax and information returns that are required to be filed by it and has paid or made adequate provisions for the payment of all material Taxes and all material assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower, the AIV, New Mountain Finance Advisors BDC, or such Taxable Entity, as applicable), and no material tax lien (other than a Permitted Lien in respect of Taxes) has been filed and, to the Borrower's, the AIV's, New Mountain Finance Advisors BDC's or any Taxable Entity's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) Exchange Act Compliance; Regulations T, U and X None of the transactions contemplated herein or in the other Transaction Documents (including, without limitation, the use of the proceeds from the transfer of the Collateral) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Borrower does not own or intend to carry or purchase, and no proceeds from the Advances will be used to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend "purpose credit" within the meaning of Regulation U.

(m) Security Interest.

(i) This Agreement creates a valid and continuing security interest (as defined in the UCC as in effect from time to time in the State of New York) in the Collateral in favor of the Administrative Agent, on behalf of the Secured Parties, which security interest is validly perfected under Article 9 of the UCC and is prior to all other Liens (except for Permitted Liens), and is enforceable as such against creditors of and purchasers from the Borrower;

(ii) the Collateral is comprised of "instruments", "security entitlements", "general intangibles", "certificated securities", "uncertificated securities", "securities accounts", "investment property" and "proceeds" (each as defined in the applicable UCC) and such other categories of collateral under the applicable UCC as to which the Borrower has complied with its obligations under Section 4.1(m)(i);

(iii) with respect to Collateral that constitute Security Entitlements:

(1) all of such Security Entitlements have been credited to one of the Accounts and the securities intermediary for each Account has agreed to treat all assets credited to such Account as Financial Assets within the meaning of the UCC as in effect from time-to-time in the State of New York;

(2) the Borrower has taken all steps necessary to enable the Administrative Agent to obtain "control" (within the meaning of the UCC as in effect from time-to-time in the State of New York) with respect to each Account; and

(3) the Accounts are not in the name of any Person other than the Borrower, subject to the lien of the Administrative Agent. The Borrower has not instructed the securities intermediary of any Account to comply with the entitlement order of any Person other than the Administrative Agent; provided that, until the Administrative Agent delivers a Notice of Exclusive Control, the Borrower and the Collateral Administrator may cause cash in the Accounts to be invested in Permitted Investments, and the proceeds thereof to be distributed in accordance with this Agreement.

(iv) all Accounts constitute "securities accounts" as defined in the Section 8-501(a) of the UCC as in effect from time-to-time in the State of New York;

(v) the Borrower owns and has good and marketable title to the Collateral free and clear of any Lien (other than Permitted Liens) of any Person;

(vi) the Borrower has received all consents and approvals required by the terms of any Loan to the transfer and granting of a security interest in the Loans hereunder to the Administrative Agent, on behalf of the Secured Parties;

(vii) the Borrower has taken all necessary steps to authorize the Administrative Agent to file all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in that

portion of the Collateral in which a security interest may be perfected by filing pursuant to Article 9 of the UCC as in effect in the Borrower's jurisdiction of organization;

(viii) other than the security interest granted to the Administrative Agent, on behalf of the Secured Parties, pursuant to this Agreement, the Borrower has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Collateral. The Borrower has not authorized the filing of and is not aware of any financing statements against the Borrower that include a description of any collateral included in the Collateral other than any financing statement that has been terminated and/or fully and validly assigned to the Administrative Agent on or prior to the date hereof. There are no judgments or tax lien filings against the Borrower;

(ix) all original executed copies of each underlying promissory note that constitute or evidence each Loan that is evidenced by a promissory note has been or, subject to the delivery requirements contained herein, will be delivered to the Collateral Custodian;

(x) other than in the case of Noteless Loans, the Borrower has received, or subject to the delivery requirements contained herein will receive, a written acknowledgment from the Collateral Custodian that the Collateral Custodian or its bailee is holding the underlying promissory notes that evidence all Loans evidenced by a promissory note solely on behalf of the Administrative Agent for the benefit of the Secured Parties;

(xi) none of the underlying promissory notes that constitute or evidence the Loans has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Administrative Agent on behalf of the Secured Parties;

(xii) with respect to Collateral that constitutes a "certificated security," such certificated security has been delivered to the Collateral Custodian on behalf of the Administrative Agent and, if in registered form, has been specially Indorsed to the Collateral Custodian or in blank by an effective Indorsement or has been registered in the name of the Administrative Agent upon original issue or registration of transfer by the Borrower of such certificated security; and

(xiii) in the case of an Uncertificated Security, by (A) causing the Administrative Agent to become the registered owner of such Uncertificated Security and (B) causing such registration to remain effective.

(n) Reports Accurate. All information, exhibits, financial statements, documents, books, records or reports furnished or to be furnished by the Borrower to the Administrative Agent or any Lender in connection with this Agreement are true, complete and correct in all material respects.

(o) Location of Offices. The Borrower's location (within the meaning of Article 9 of the UCC) is, and at all times has been, the State of Delaware. The Borrower's Federal Employee Identification Number is correctly set forth on Exhibit D. Other than changing its name from New Mountain Guardian (Leveraged), L.L.C. to New Mountain Finance Holdings, L.L.C. on the Amendment and Restatement Effective Date, the Borrower has not

changed its name (whether by amendment of its certificate of formation, by reorganization or otherwise) or its jurisdiction of organization and has not changed its location within the four (4) months preceding the Amendment and Restatement Effective Date.

(p) Collection Account. The Collection Accounts (including any sub accounts thereof) are the only accounts to which Collections on the Collateral are sent.

(q) Legal Name. The Borrower's exact legal name is New Mountain Finance Holdings, L.L.C;*provided* that, the Borrower can change its legal name upon fifteen (15) days' prior written notice to the Administrative Agent if it has delivered any additional financing statements requested by the Administrative Agent in its sole discretion.

(r) [Intentionally Omitted.]

(s) Value Given. The Borrower shall have given reasonably equivalent value in consideration for the transfer to the Borrower of the Collateral, and no such transfer shall have been made for or on account of an antecedent debt, and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(t) Accounting. The Borrower accounts for the transfers to it of interests in Collateral as sales for legal (other than tax) purposes on its books, records and financial statements, in each case consistent with GAAP and with the requirements set forth herein.

(u) Special Purpose Requirements. Any amendment or amendment and restatement of any of the Borrower's organizational documents on or prior to the Amendment and Restatement Effective Date has been accomplished in accordance with, and was permitted by, the relevant provisions of each such organizational document (as the same existed prior to such amendment or amendment and restatement). Other than the Reorganization Transactions, the Borrower has not at any time prior to the Amendment and Restatement Effective Date, does not and shall not:

(i) engage in any business or activity other than entering into and performing its obligations under the Transaction Documents and the Administration Agreement and other activities contemplated by the Transaction Documents and the Administration Agreement, the purchase, receipt and management of Collateral in accordance with the Transaction Documents, the transfer and pledge of Collateral under the Transaction Documents, the sale and disposition of Collateral and such other activities as are incidental thereto;

(ii) acquire or own any assets other than (A) the Collateral, (B) Permitted Investments, (C) equity interests in the SPVs and (D) incidental property as may be necessary for the operation of the Borrower and the performance of its obligations under the Transaction Documents;

(iii) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, or (other than in accordance with Section 2.15) transfer or otherwise dispose of all or substantially all of its assets, without in each case first obtaining the consent of the Administrative Agent, or except as permitted by this Agreement, change its legal structure, or jurisdiction of formation;

(iv) (A) fail to preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, (B) without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld), amend, modify, terminate or fail to comply with the provisions of the Borrower LLC Agreement other than amendments or modifications required in connection with any Permitted Exchange Transactions, or (C) fail to observe limited liability company formalities;

(v) own any Subsidiary (other than the SPVs) without the consent of the Administrative Agent;

(vi) make any Future Funding Investment in any Person unless each of the following conditions is satisfied or waived by the Administrative Agent pursuant to Section 12.1:

(1) a Future Funding Investment Notice is delivered to the Administrative Agent prior to the date on which such Investment is made;

(2) the underlying instrument with respect to such Investment must include a provision to the effect that the Borrower shall have no liability for any special, consequential or punitive damages in connection with such Investment (or include words of similar import and effect); and

(3) the sum of (A) the Future Funding Obligations of the Borrower in respect of such Investment,*plus* (B) the Future Funding Obligations of the Borrower in respect of all other Investments then held by the Borrower shall not exceed an amount equal to the sum of (x) fifteen percent (15%) of the Net Asset Value as of the most recent BDC Reporting Date and (y) the Excess Future Funding Coverage Amount on the date on which such Investment is made.

(vii) except as permitted by this Agreement, commingle its assets with the assets of any of its Affiliates, or of any other Person;

(viii) incur any Indebtedness, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than Indebtedness to the Secured Parties hereunder or Indebtedness obtained in conjunction with a repayment of all Advances owed to the Lenders and the other Secured Parties and a termination of all the Commitments and a repayment of all the Obligations in full;

(ix) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due;

(x) fail to maintain its records, books of account and bank accounts separate and apart from those of any other Person;

(xi) enter into any contract or agreement with any Person, except (A) the Transaction Documents, (B) the Administration Agreement, (C) other contracts or agreements that are upon terms and conditions that are commercially reasonable and

substantially similar to those that would be available on an arms-length basis with third parties other than such Person and (D) as otherwise permitted by this Agreement;

(xii) seek its dissolution or winding up in whole or in part;

(xiii) fail to correct any known misunderstandings regarding the separate identity of the Borrower or any principal or Affiliate thereof or any other Person;

(xiv) guarantee, become obligated for, or hold itself out to be responsible for the debt of another Person;

(xv) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name in order not (A) to mislead others as to the identity of the Person with which such other party is transacting business, or (B) to suggest that it is responsible for the debts of any third party (including any of its principals or Affiliates);

(xvi) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(xvii) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;

(xviii) except as may be required or permitted by the Code and regulations or other applicable state or local tax law, hold itself out as or be considered as a department or division of (A) any of its principals or Affiliates, (B) any Affiliate of a principal or (C) any other Person;

(xix) fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person or fail not to have its assets listed on any financial statement of any other Person; *provided*, *however*, that the Borrower's assets and liabilities may be included in a consolidated financial statement of its Affiliate so long as the separateness of the Borrower from such Affiliate and that the Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliate is disclosed by such Affiliate within all public filings that contain such consolidated financial statements;

(xx) fail to pay its own liabilities and expenses only out of its own funds;

(xxi) fail to pay the salaries of its own employees, if any, in light of its contemplated business operations;

(xxii) acquire the obligations or securities of its Affiliates or stockholders (other than any SPV);

(xxiii) guarantee any obligation of any person, including an Affiliate;

(xxiv) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and

services performed by any employee of an Affiliate;

(xxv) fail to use separate invoices and checks bearing its own name;

(xxvi) pledge its assets for the benefit of any other Person, other than with respect to payment of the indebtedness to the Secured Parties hereunder;

(xxvii) [intentionally omitted];

(xxviii) fail to provide that the approval of the board of managers (including the consent of the Independent Manager) is required for the Borrower to (a) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (b) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (c) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (d) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (e) make any assignment for the benefit of the Borrower's creditors, (f) admit in writing its inability to pay its debts generally as they become due, or (g) take any action in furtherance of any of the foregoing; or

(xxix) have any material contingent or actual obligations not related to the Collateral (other than (A) pursuant to the Administration Agreement, (B) in its capacity as collateral administrator under any credit or loan facility entered into by an SPV, (C) obligations incidental to its equity ownership of any SPV, (D) necessary to effectuate an Offering, (E) in connection with any Offering Expenses, (F) obligations in connection with compliance with federal securities laws or (G) incidental to offering or providing managerial assistance to any portfolio company of the BDC or the Borrower).

The representations and warranties a set forth in this Section 4.1(u) shall survive for so long as any amount remains payable to any Secured Party under this Agreement or any other Transaction Document

(v) [Intentionally Omitted.]

(w) [Intentionally Omitted.]

(x) ERISA. Except as would not reasonably be expected to constitute a Material Adverse Effect, (i) the present value of all benefits vested under all "employee pension benefit plans," as such term is defined in Section 3 of ERISA which are subject to Title IV of ERISA and maintained by the Borrower, or in which employees of the Borrower are entitled to participate, other than a Multiemployer Plan (the "Pension Plans"), does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the most recent annual financial statements reflecting such amounts), (ii) no non-exempt prohibited transactions, failures to satisfy minimum funding standards, withdrawals or reportable events within the meaning of 4043 of ERISA, other than those events as to which the 30-day notice period referred to in Section 4043(c) of ERISA has been waived, (each a "Reportable

Event") have occurred with respect to any Pension Plans that, in the aggregate, could subject the Borrower to any material tax, penalty or other liability and (iii) no notice of intent to terminate a Pension Plan has been filed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(y) Compliance with Law. The Borrower has complied in all material respects with all Applicable Law to which it may be subject, and no item of Collateral contravenes in any material respect any Applicable Law (including, without limitation, all applicable predatory and abusive lending laws, laws, rules and regulations relating to licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy).

(z) Collections. The Borrower acknowledges that all Collections received by it or its Affiliates with respect to the Collateral transferred hereunder are held and shall be held in trust for the benefit of the Secured Parties until deposited into the applicable Collection Account within two (2) Business Days after receipt as required herein.

(aa) Amendments. No Loan has been amended, modified or waived, except for amendments, modifications or waivers, if any, to such Collateral otherwise permitted under Section 6.4(a) and in accordance with the Credit and Collection Policy.

(bb) Full Payment. As of the Funding Date thereof, the Borrower has no knowledge of any fact which should lead it to expect that any Loan will not be repaid by the Borrower in full.

(cc) Accuracy of Representations and Warranties. Each representation or warranty by the Borrower contained herein or in any report, financial statement, exhibit, schedule, certificate or other document furnished by the Borrower pursuant hereto, in connection herewith or in connection with the negotiation hereof is true and correct in all material respects.

(dd) Members of the Borrower. Each member of the Borrower is a United States person within the meaning of Section 7701(a)(30) of the Code.

(ee) USA Patriot Act. Neither the Borrower nor any Affiliate of the Borrower is (i) a country, territory, organization, person or entity named on an Office of Foreign Asset Control (OFAC) list; (ii) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a "Non-Cooperative Jurisdiction" by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (iii) a "Foreign Shell Bank" within the meaning of the USA Patriot Act, i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (iv) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the Treasury under Sections 311 or 312 of the USA Patriot Act as warranting special measures due to money laundering concerns.

(ff) Existing Loan and Security Agreements. Immediately prior to the occurrence of the Amendment and Restatement Effective Date, no "Default", "Event of Default" or "Collateral Manager Termination Event" had occurred and was continuing under either of the Existing Loan and Security Agreements.

The representations and warranties in Section 4.1(m) shall survive the termination of this Agreement and such representations and warranties may not be waived by any party hereto without the consent of the Administrative Agent.

Section 4.2. Representations and Warranties of the Borrower Relating to the Agreement and the Collateral.

The Borrower hereby represents and warrants, as of the Amendment and Restatement Effective Date and as of each Funding Date thereafter:

(a) Valid Security Interest. This Agreement constitutes a security agreement within the meaning of Section 9-102(a)(73) of the UCC as in effect from time to time in the State of New York. Upon the delivery to the Collateral Custodian of all Collateral constituting "instruments" and "certificated securities" (as defined in the UCC as in effect from time to time in the jurisdiction where the Collateral Custodian's Corporate Trust Office is located), the crediting of all Collateral that constitutes Financial Assets (as defined in the UCC as in effect from time to time in the State of New York) to an Account and the filing of the financing statements described in Section 4.1(m) in the jurisdiction in which the Borrower is located, such security interest shall be a valid and first priority perfected security interest in all of the Collateral (subject to Permitted Liens) in that portion of the Collateral in which a security interest may be created under 9 of the UCC as in effect from time to time in the State of New York.

(b) Eligibility of Collateral. The Borrower has conducted such due diligence and other review as it considered necessary with respect to the Loans set forth on Schedule III. As of the Amendment and Restatement Effective Date and each Funding Date thereafter, (i) the Loan List and the information contained in each Funding Notice delivered pursuant to Section 2.2, is an accurate and complete listing in all material respects of all Loans included in the Collateral as of the related Funding Date and the information contained therein with respect to the identity of such Loans and the amounts owing thereunder is true, correct and complete in all material respects as of the related Funding Date, (ii) each such Loan included in the Borrowing Base is an Eligible Loan, (iii) each Loan included in the Collateral is free and clear of any Lien of any Person (other than Permitted Liens) and in compliance with all Applicable Laws in all material respects and (iv) with respect to each Loan included in the Collateral, all material consents, licenses, approvals or authorizations of or registrations or declarations of any Governmental Authority or any Person required to be obtained, effected or given by the Borrower in connection with the transfer of an ownership interest or security interest in such Collateral to the Administrative Agent as agent for the benefit of the Secured Parties have been duly obtained, effected or given and are in full force and effect.

(c) No Fraud. Each Loan was originated without any fraud or material misrepresentation by the Borrower or, to the best knowledge of the Borrower, on the part of the Obligor.

Section 4.3. Representations and Warranties of the Collateral Administrator.

The Collateral Administrator represents and warrants as follows as of the Amendment and Restatement Effective Date and, thereafter, as of each Funding Date and each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made:

(a) Organization and Good Standing. The Collateral Administrator has been duly organized, and is validly existing as a limited liability company in good standing, under the laws of the State of Delaware, with all requisite limited liability company power and authority to own or lease its properties and conduct its business as such business is presently conducted.

(b) Due Qualification. The Collateral Administrator is duly qualified to do business and is in good standing as a limited liability company, and has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be so qualified or in good standing or to have obtained such licenses or approvals could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Collateral Administrator (i) has all necessary limited liability company power, authority and legal right to (a) execute and deliver each Transaction Document to which it is a party, and (b) carry out the terms of the Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary limited liability company action, the execution, delivery and performance of each Transaction Document to which it is a party. This Agreement and each other Transaction Document to which the Collateral Administrator is a party have been duly executed and delivered by the Collateral Administrator.

(d) Binding Obligation. Each Transaction Document to which the Collateral Administrator is a party constitutes a legal, valid and binding obligation of the Collateral Administrator enforceable against the Collateral Administrator in accordance with its respective terms, except as such enforceability may be limited by Insolvency Laws and general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by each Transaction Document to which it is a party and the fulfillment of the terms thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Collateral Administrator's certificate of formation, operating agreement or any Contractual Obligation of the Collateral Administrator, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the Collateral Administrator's properties pursuant to the terms of any such Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law in any material respect.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Collateral Administrator, threatened against the Collateral Administrator, before any Governmental Authority (i) asserting the invalidity of any Transaction Document to which the Collateral Administrator is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by any Transaction Document to which the Collateral Administrator is a party or (iii) that could reasonably be expected to have Material Adverse Effect.

(g) All Consents Required. All approvals, authorizations, consents, orders, licenses, filings or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Collateral Administrator of each Transaction Document to which the Collateral Administrator is a party have been obtained.

(h) Reports Accurate. All information, exhibits, financial statements, documents, books, records or reports furnished or to be furnished by the Collateral Administrator to the Administrative Agent or any Lender in connection with this Agreement are true, complete and correct in all material respects.

(i) Collections. The Collateral Administrator acknowledges that all Collections received by it or its Affiliates with respect to the Collateral transferred or pledged hereunder are held and shall be held in trust for the benefit of the Secured Parties until deposited into the applicable Collection Account within two (2) Business Days from receipt as required herein.

(j) Solvency. The Collateral Administrator is not the subject of any Insolvency Proceedings or Insolvency Event. The transactions under the Transaction Documents to which the Collateral Administrator is a party do not and will not render the Collateral Administrator not Solvent and the Collateral Administrator shall deliver to the Administrative Agent on the Amendment and Restatement Effective Date a certification in the form of Exhibit C.

(k) Taxes. The Collateral Administrator is a United States person within the meaning of Section 7701(a)(30) of the Code and is owned by entities that are United States persons within the meaning of Section 7701(a)(30) of the Code. Each of the Collateral Administrator and its equity owners have filed or caused to be filed all material tax and information returns that are required to be filed by it and has paid or made adequate provisions for the payment of all material Taxes and all material

assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Collateral Administrator or the applicable equity owner), and no material tax lien (other than a Permitted Lien in respect of Taxes) has been filed and, to the Collateral Administrator's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) ERISA. Except as would not reasonably be expected to constitute a Material Adverse Effect, (i) the present value of all benefits vested under all Pension Plans of the Collateral Administrator does not exceed the value of the assets of the Pension Plan allocable to

such vested benefits (based on the value of such assets as of the most recent annual financial statements reflecting such amounts), (ii) no Reportable Events have occurred with respect to any Pension Plans that, in the aggregate, could subject the Collateral Administrator to any material tax, penalty or other liability and (iii) no notice of intent to terminate a Pension Plan has been filed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(m) [Intentionally omitted.]

(n) Compliance with Law. The Collateral Administrator has complied in all material respects with all Applicable Law to which it may be subject, and no item of Collateral contravenes in any material respect any Applicable Law (including, without limitation, all applicable predatory and abusive lending laws, laws, rules and regulations relating to licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy).

(o) No Material Adverse Effect. No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect on the Collateral Administrator since August 31, 2009.

(p) [Intentionally Omitted.]

(q) Actions of the Collateral Administrator. The Collateral Administrator acknowledges and agrees that, as of the date hereof, all of the Loans owned by the Borrower as of the Amendment and Restatement Effective Date (or subject to irrevocable commitments to purchase by the Borrower for settlement (as participations or assignments) after the Amendment and Restatement Effective Date) are owned by way of an assignment (and not a participation) and are as set forth on Schedule III.

Section 4.4. Representations and Warranties of the Collateral Custodian.

The Collateral Custodian in its individual capacity and as Collateral Custodian represents and warrants as follows:

(a) Organization; Power and Authority. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has full corporate power, authority and legal right to execute, deliver and perform its obligations as Collateral Custodian under this Agreement.

(b) Due Authorization. The execution and delivery of this Agreement and the consummation of the transactions provided for herein have been duly authorized by all necessary association action on its part, either in its individual capacity or as Collateral Custodian, as the case may be.

(c) No Conflict. The execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with, result in any breach of its articles of incorporation or bylaws or any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Collateral Custodian is a party or by which it or any of its property is bound.

(d) No Violation. The execution and delivery of this Agreement, the performance of the Transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with or violate, in any material respect, any Applicable Law as to the Collateral Custodian.

(e) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or Governmental Authority applicable to the Collateral Custodian, required in connection with the execution and delivery of this Agreement, the performance by the Collateral Custodian of the transactions contemplated hereby and the fulfillment by the Collateral Custodian of the terms hereof have been obtained.

(f) Validity, Etc. This Agreement constitutes the legal, valid and binding obligation of the Collateral Custodian, enforceable against the Collateral Custodian in accordance with its terms, except as such enforceability may be limited by applicable Insolvency Laws and general principles of equity (whether considered in a suit at law or in equity).

ARTICLE V.

GENERAL COVENANTS

Section 5.1. Affirmative Covenants of the Borrower.

The Borrower covenants and agrees with the Lenders that so long as this Agreement shall remain in effect and until the principal of and interest on Advances and all other Fees, expenses or amounts payable under any Transaction Document shall have been paid in full:

(a) Compliance with Laws. The Borrower will comply in all material respects with all Applicable Laws, including those with respect to the Collateral or any part thereof.

(b) Preservation of Company Existence. The Borrower will (i) preserve and maintain its company existence, rights, franchises and privileges in the jurisdiction of its formation, (ii) qualify and remain qualified in good standing as a limited liability company in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect and (iii) maintain the Borrower LLC Agreement in full force and effect and shall not amend the same without the prior written consent of the Administrative Agent (except as permitted by Section 5.2(i)).

(c) Performance and Compliance with Collateral. The Borrower will, at its expense, timely and fully perform and comply with all provisions, covenants and other promises

required to be observed by it under the Collateral, the Transaction Documents and all other agreements related to such Collateral.

(d) Keeping of Records and Books of Account. The Borrower will keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all requirements of law are made of all dealings and transactions in relation to its business and activities. The Borrower will permit any representatives designated by the Administrative Agent to visit and inspect the financial records and the properties of such person at reasonable times and as often as reasonably requested, without unreasonably interfering with such party's business and affairs and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent to discuss the affairs, finances and condition of such person with the officers thereof and independent accountants therefor, in each case, other than (x) material and affairs protected by the attorney-client privilege and (y) materials which such party may not disclose without violation of confidentiality obligations binding upon it. For the avoidance of doubt, the right of the Administrative Agent provided herein to visit and inspect the financial records and properties of the Borrower shall be limited to not more than one (1) such visit and inspection in any fiscal quarter; provided that after the occurrence of an Event of Default and during its continuance, there shall be no limit to the number of such visits and inspections, and after the resolution of such Event of Default, the number of visits occurring in the current fiscal quarter shall be deemed to be zero.

(e) Protection of Interest in Collateral. With respect to the Collateral, the Borrower will (i) to the extent such Collateral is acquired by the Borrower after the Amendment and Restatement Effective Date, acquire such Collateral directly from a third party, (ii) (at the Collateral Administrator's expense) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Collateral free and clear of any Lien other than the Lien created hereunder and Permitted Liens, including, without limitation, (A) with respect to the Loans and that portion of the Collateral in which a security interest may be perfected by filing and maintaining (at the Collateral Administrator's expense), effective financing statements against the Obligor in all necessary or appropriate filing offices, (including any amendments thereto or assignments thereof) and filing continuation statements, amendments or assignments with respect thereto in such filing offices, (including any amendments thereto or assignments thereof) and (B) executing or causing to be executed such other instruments or notices as may be necessary or appropriate, (iii) permit the Administrative Agent or its respective agents or representatives to visit the offices of the Borrower during normal office hours and upon reasonable notice examine and make copies of all documents, books, records and other information concerning the Collateral and discuss matters related thereto with any of the officers or employees of the Borrower having knowledge of such matters, and (iv) take all additional action that the Administrative Agent may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Collateral.

(f) Deposit of Collections.

(i) The Borrower shall, or cause the Collateral Administrator to, instruct each Obligor to deliver all Collections in respect of the Collateral attributable to (A) Interest Collections paid by such Obligor to the Interest Collections Account and (B) Principal Collections paid by such Obligor to the Principal Collections Account.

(ii) The Borrower shall promptly (but in no event later than three (3) Business Days after receipt) deposit all Collections received by such party in respect of the Collateral into the appropriate Collection Account as set forth in clause (i) above.

(g) Special Purpose Entity Requirements. The Borrower shall be in compliance with the special purpose requirements set forth in Section 4.1(u).

(h) Credit and Collection Policy. The Borrower will (a) comply in all material respects with the Credit and Collection Policy in regard to the Collateral, and (b) furnish to the Administrative Agent prior to its effective date, prompt written notice of any changes in the Credit and Collection Policy. The Borrower will not agree to or otherwise permit to occur any material change in the Credit and Collection Policy without the prior written consent of the Administrative Agent; *provided* that no consent shall be required from the Administrative Agent in connection with any change mandated by Applicable Law or a Governmental Authority as evidenced by an Opinion of Counsel to that effect delivered to the Administrative Agent.

(i) Events of Default. Promptly following the Borrower's knowledge or notice of the occurrence of any Event of Default or Default, the Borrower will provide the Administrative Agent with written notice of the occurrence of such Event of Default or Default of which the Borrower has knowledge or has received notice. In addition, such notice will include a written statement of a Responsible Officer of the Borrower setting forth the details of such event and the action that the Borrower proposes to take with respect thereto.

(j) Obligations and Taxes.

(i) Each of the Borrower, New Mountain Finance Advisors BDC and the Taxable Entities shall pay its respective material Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all material Taxes and withholding Tax obligations before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof and enforce all material indemnities and rights against Obligors and investors in New Mountain Finance Advisors BDC and the Taxable Entities with respect to any material Tax or withholding Tax; *provided*, that such payment and discharge shall not be required with respect to any such Taxes or other obligations so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and each of the Borrower, New Mountain Finance Advisors BDC and the Taxable Entities shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation or Taxes and enforcement of a Lien.

(ii) (A) the BDC and AIV Holding will be United States persons within the meaning of Section 7701(a)(30) of the Code and will be treated as corporations for U.S. federal income tax purposes, (B) New Mountain Finance Advisors BDC will be a United States person within the meaning of Section 7701(a)(30) of the Code and will be treated for U.S. federal income tax purposes as a disregarded entity wholly owned by a United States person within the meaning of Section 7701(a)(30) of the Code and (C) the Borrower will be a United States person within the meaning of Section 7701(a)(30) of the Code, will be treated as a partnership for U.S. federal income tax purposes, and will be owned by the Taxable Entities and

other entities that are United States persons within the meaning of Section 7701(a)(30) of the Code.

(iii) Each of the Borrower, the AIV, New Mountain Finance Advisors BDC and each Taxable Entity will file or cause to be filed all material tax and information returns that are required to be filed by it.

(k) Use of Proceeds. The Borrower will use the proceeds of the Advances only to acquire Loans, to make distributions to its member in accordance with the terms hereof or to pay related expenses (including expenses payable hereunder).

(l) Obligor Notification Forms. The Administrative Agent may, in its discretion after the occurrence of a Collateral Administrator Termination Event or an Event of Default (other than an Event of Default described in Section 9.1(n)), send notification forms giving the Obligors notice of the Secured Parties' interest in the

Collateral and the obligation to make payments as directed by the Administrative Agent; *provided* that, in the case of an occurrence of any such Event of Default (other than an Event of Default described in Section 9.1(e)), the Administrative Agent may not send any notification forms to any Obligor until the earlier of (i) the next payment date of the applicable Eligible Loan related to such Obligor or (ii) thirty (30) days from the occurrence of such Event of Default.

(m) Adverse Claims. The Borrower will not create, or participate in the creation of, or permit to exist, any Liens on any of the Accounts other than the Lien created by this Agreement.

(n) Notices. The Borrower will furnish to the Administrative Agent:

(i) Income Tax Liability. Within ten (10) Business Days after the receipt of revenue agent reports or other written proposals, determinations or assessments of the Internal Revenue Service or any other taxing authority which propose, determine or otherwise set forth positive adjustments to the Tax liability of, or assess or propose the collection of Taxes required to have been withheld by, the Borrower, the Collateral Administrator, New Mountain Finance Advisors BDC, any Taxable Entity or any equity owner of the Collateral Administrator which equal or exceed $1,000,000 in the aggregate, telephonic or facsimile notice (confirmed in writing within five (5) Business Days) specifying the nature of the items giving rise to such adjustments and the amounts thereof;

(ii) Auditors' Management Letters. Promptly after the receipt thereof, any auditors' management letters are received by the Borrower or by its accountants;

(iii) Representations and Warranties. Promptly after receiving knowledge or notice of the same, the Borrower shall notify the Administrative Agent if any representation or warranty set forth in Section 4.1 or Section 4.2 was incorrect at the time it was given or deemed to have been given and at the same time deliver to the Administrative Agent a written notice setting forth in reasonable detail the nature of such facts and circumstances. In particular, but without limiting the foregoing, the Borrower shall notify the Administrative Agent in the manner set forth in the preceding sentence before any Funding Date of any facts or

circumstances within the knowledge of the Borrower which would render any of the said representations and warranties untrue as of such Funding Date;

(iv) ERISA. Promptly after receiving notice of any "reportable event" (as defined in Title IV of ERISA) with respect to the Borrower (or any ERISA Affiliate thereof), a copy of such notice;

(v) Proceedings. As soon as possible and in any event within three (3) Business Days after an executive officer of the Borrower receives notice or obtains knowledge thereof, notice of any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any material labor controversy, material litigation, material action, material suit or material proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Collateral, the Transaction Documents, the Secured Parties' interest in the Collateral, or the Borrower, the Collateral Administrator or any of their respective Affiliates; *provided* that notwithstanding the foregoing, any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral, the Transaction Documents, the Secured Parties' interest in the Collateral, or the Borrower, the Collateral Administrator or any of their respective Affiliates in excess of $1,000,000 or more shall be deemed to be material for purposes of this Section 5.1(n);

(vi) Notice of Certain Events. Promptly upon becoming aware thereof, notice of (1) any Collateral Administrator Termination Event, (2) any Value Adjustment Event, (3) any Change of Control, (4) any other event or circumstance that could reasonably be expected to have a Material Adverse Effect, (5) any event or circumstance whereby any Loan which was included in the latest calculation of the Borrowing Base as an Eligible Loan shall fail to meet one or more of the criteria (other than criteria waived by the Administrative Agent on or prior to the related Funding Date in respect of such Loan) listed in the definition of "Eligible Loan", (6) of the occurrence of any default by an Obligor on any Loan, (7) any amendment to the Fund Limited Partnership Agreement and (8) the date on which the IPO Date will occur;

(vii) Corporate Changes. As soon as possible and in any event within fifteen (15) Business Days after the effective date thereof, notice of any change in the name, jurisdiction of organization, corporate structure or location of records of the Borrower or the Collateral Administrator; *provided* that the Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral; and

(viii) Accounting Changes. As soon as possible and in any event within three (3) Business Days after the effective date thereof, notice of any change in the accounting policies of the Borrower.

(o) Assets Under Management. Prior to the IPO Date, the Borrower will cause the General Partner to submit to the Administrative Agent and each Lender, within the time periods specified in Section 5.1(r) below, a certification by the General Partner of the

aggregate assets and commitments of the New Mountain Funds as of the end of such fiscal quarter.

(p) Available Capital. Prior to the IPO Date the Borrower will cause the General Partner to submit to the Administrative Agent and each Lender, within the time periods specified in Section 5.1(r) below, a certification by the General Partner (i) of the amount of Available Capital as of the end of such fiscal quarter and (ii) that the terms and conditions specified in the definition of Available Capital are satisfied as of the date of the certification.

(q) Payment Date Reporting. The Borrower shall deliver (or shall cause to be delivered) a Borrowing Base Certificate, determined as of the day that is two (2) Business Days prior to each Payment Date, and delivered to the Administrative Agent and Collateral Custodian not later than the Business Day preceding the related Payment Date. Each such Borrowing Base Certificate shall contain instructions to the Collateral Custodian to withdraw on the related Payment Date from the applicable Collection Account and pay or transfer amounts set forth in such report in the manner specified, and in accordance with the priorities established, in Section 2.7 or Section 2.8, as applicable.

(r) Fund Financial Statements. Prior to the IPO Date, the Borrower will cause the Fund to submit to the Administrative Agent and each Lender promptly (but in any event within three (3) Business Days of the distribution by the Fund to its investors of the same), (A) after the end of each of its fiscal quarters (excluding the fiscal quarter ending on the date specified in clause (B)), commencing March 31, 2011, consolidated unaudited financial statements of the Fund for the most recent fiscal quarter, and (B) after the end of each fiscal year, commencing with the fiscal year ended December 31, 2010, consolidated audited financial statements of the Fund, audited by a firm of nationally recognized independent public accountants.

(s) BDC Financial Statements. The Borrower will cause the BDC to submit to the Administrative Agent and each Lender, (A) within sixty (60) days after the end of each of its fiscal quarters (excluding the fiscal quarter ending on the date specified in clause (B)), commencing with the first fiscal quarter after the Amendment and Restatement Effective Date, consolidated unaudited financial statements of the BDC for the most recent fiscal quarter, and (B) within ninety (90) days after the end of each fiscal year, commencing with the first fiscal year ended after the Amendment and Restatement Effective Date, consolidated audited financial statements of the BDC, audited by a firm of nationally recognized independent public accountants.

(t) Borrower Financial Statements. Unless the Borrower is consolidated with the BDC for financial reporting purposes, the Borrower will submit to the Administrative Agent and each Lender, (A) within sixty (60) days after the end of each of its fiscal quarters (excluding the fiscal quarter ending on the date specified in clause (B)), consolidated unaudited financial statements of the Borrower for the most recent fiscal quarter, (B) within ninety (90) days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2010, consolidated audited financial statements of the Borrower, audited by a firm of nationally recognized independent public accountants.

(u) BDC Assets. The Borrower will cause the BDC to submit to the Administrative Agent and each Lender, on each BDC Reporting Date, a certification by a Responsible Officer of the BDC of the aggregate assets and commitments of the BDC and its consolidated Subsidiaries (determined in accordance with GAAP and Applicable Law) as of the end of the previous fiscal quarter. A "Curable BDC Asset Coverage Event" shall be deemed to occur if (i) the Asset Coverage Ratio of the BDC and its consolidated Subsidiaries on any BDC Reporting Date is less than 2:1, and (ii) no Permanent BDC Asset Coverage Event is continuing. A Curable BDC Asset Coverage Event shall be deemed to be continuing until the earlier of (x) the occurrence of a Permanent BDC Asset Coverage Event, and (y) any BDC Reporting Date on which the Asset Coverage Ratio of the BDC and its consolidated Subsidiaries on a BDC Reporting Date is equal to or greater than 2:1.

A "Permanent BDC Asset Coverage Event" shall be deemed to occur and be continuing if the Asset Coverage Ratio of the BDC and its consolidated Subsidiaries (determined in accordance with GAAP and Applicable Law) on three (3) consecutive BDC Reporting Dates is less than 2:1. Notwithstanding the foregoing, if (1) a Permanent BDC Asset Coverage Event occurs, and (2) the Asset Coverage Ratio of the BDC and its consolidated Subsidiaries on two (2) consecutive BDC Reporting Dates following such occurrence is equal to or greater than 2.25:1, then (A) such Permanent BDC Asset Coverage Event shall be deemed to be cured and no longer continuing for all purposes of this Agreement, and (B) the corresponding Event of Default under Section 9.1(n) shall be deemed to be waived by the Administrative Agent and the Required Lenders for all purposes of this Agreement, in each case as of the second (2^{nd}) of such BDC Reporting Dates.

(v) BDC Date Reporting. The Borrower shall deliver (or shall cause to be delivered) a Quarterly Investment Report to the Administrative Agent on each BDC Reporting Date.

(w) Further Assurances. The Borrower will execute any and all further documents, financing statements, agreements and instruments, and take all further action (including filing UCC and other financing statements, agreements or instruments) that may be required under applicable law, or that the Administrative Agent may reasonably request, in order to effectuate the transactions contemplated by the Transaction Documents and in order to grant, preserve, protect and perfect the validity and first priority (subject to Permitted Liens) of the security interests and Liens created or intended to be created hereby. Such security interests and Liens will be created hereunder and the Borrower shall deliver or cause to be delivered to the Administrative Agent all such instruments and documents (including legal opinions and lien searches) as it shall reasonably request to evidence compliance with this Section 5.1(w). The Borrower agrees to provide such evidence as the Administrative Agent shall reasonably request as to the perfection and priority status of each such security interest and Lien.

(x) Proposed Cure Notice. The Borrower shall deliver notice to the Administrative Agent that:

(i) the Adjusted Net Senior Leverage Ratio of an Obligor for any Relevant Test Date with respect to a First Lien Loan is greater than 2.50 to 1.00 promptly upon becoming aware thereof. Following the delivery of such notice, the Borrower may deliver, or

may cause the Collateral Administrator to deliver, a Proposed Cure Notice to the Administrative Agent within three (3) Business Days of the occurrence of such awareness indicating the Borrower's intent to (i) take the actions specified in such Proposed Cure Notice, and (ii) reduce such Adjusted Net Senior Leverage Ratio within fifteen (15) Business Days following the delivery of such Proposed Cure Notice by prepaying the Advance made in respect of the related First Lien Loan to the extent necessary to reduce such Adjusted Net Senior Leverage Ratio (with such ratio being determined as if such prepayment had occurred on such date of determination) to no greater than 2.00 to 1 (each, a "First Lien Prepayment Cure Event"); and

(ii) the Adjusted Net Non-First Lien Leverage Ratio of an Obligor for any Relevant Test Date with respect to a Non-First Lien Loan is greater than the threshold determined by the Administrative Agent in its sole discretion for such Obligor at the time of the approval of such Non-First Lien Loan promptly upon becoming aware thereof. Following the delivery of such notice, the Borrower may deliver, or may cause the Collateral Administrator to deliver, a Proposed Cure Notice to the Administrative Agent within three (3) Business Days of the occurrence of such awareness indicating the Borrower's intent to (i) take the actions specified in such Proposed Cure Notice, and (ii) reduce such Adjusted Net Non-First Lien Leverage Ratio within fifteen (15) Business Days following the delivery of such Proposed Cure Notice by prepaying the Advance made in respect of the related Non-First Lien Loan to the extent necessary to reduce such Adjusted Net Non-First Lien Leverage Ratio (with such ratio being determined as if such prepayment had occurred on such date of determination) to no greater than 0.75x (or such lesser number that is acceptable to the Administrative Agent) less than the threshold determined by the Administrative Agent at the time of the approval of such Non-First Lien Loan (each, a "Non-First Lien Prepayment Cure Event").

(y) BDC Status. Each of the Borrower and the BDC will be regulated as a business development company under the 1940 Act

(z) Other. The Borrower will furnish to the Administrative Agent promptly, from time to time, such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of the Collateral Administrator or the Borrower as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent or the other Secured Parties under or as contemplated by this Agreement.

Section 5.2. Negative Covenants of the Borrower.

During the Covenant Compliance Period, except for the Reorganization Transactions:

(a) Other Business. The Borrower will not (i) engage in any business other than (A) entering into and performing its obligations under the Transaction Documents and other activities contemplated by the Transaction Documents, (B) the acquisition, ownership, management, sale and disposition of the Collateral, (C) the sale of Loans as permitted hereunder, (D) activities incidental to the ownership of an SPV, (E) in connection with an Offering, (F) as required in connection with compliance with federal securities laws or (G) offering or providing managerial assistance to any portfolio company of the BDC or the Borrower (ii) incur any Indebtedness other than pursuant to this Agreement or any other Transaction Document or (iii)

form any Subsidiary (other than an SPV), in each case without the prior written consent of the Administrative Agent in its sole discretion.

(b) Collateral Not to be Evidenced by Instruments. The Borrower will take no action to cause any Loan that is not, as of the Amendment and Restatement Effective Date or the related Funding Date, as the case may be, evidenced by an Instrument, to be so evidenced except in connection with the enforcement or collection of such Loan or unless such Instrument is promptly delivered to the Administrative Agent, together with an Indorsement in blank, as collateral security for such Loan.

(c) Security Interests. Except as otherwise permitted herein and in respect of any Discretionary Sale, the Borrower will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) on any Collateral, whether now existing or hereafter transferred hereunder, or any interest therein. The Borrower will promptly notify the Administrative Agent of the existence of any Lien (other than Permitted Liens) on any Collateral and the Borrower shall defend the right, title and interest of the Administrative Agent, as agent for the Secured Parties in, to and under the Collateral against all claims of third parties; *provided* that nothing in this Section 5.2(c) shall prevent or be deemed to prohibit the Borrower from suffering to exist Permitted Liens upon any of the Collateral.

(d) Mergers, Acquisitions, Sales, etc. The Borrower will not be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or all or substantially all of the equity interests any other Person, or sell, transfer, convey or lease all or substantially all of its assets, or sell or assign with or without recourse any Collateral or any interest therein (other than SPVs or as otherwise permitted pursuant to this Agreement).

(e) Restricted Payments. The Borrower shall not make any Restricted Payments unless any of the following conditions are satisfied (a) clauses (ii) and (iii) of the definition of "Distribution Conditions" are satisfied, or (b) such Restricted Payment is being made from the Borrower Collection Account (subject to the restrictions contained in the Transaction Documents), or (c) such Restricted Payment is being made using an amount distributed to the Borrower pursuant to Section 2.7(b)(7).

(f) Change of Location of Underlying Instruments. The Borrower shall not, without the prior consent of the Administrative Agent, consent to the Collateral Custodian moving any Certificated Securities or Instruments from the Collateral Custodian's Corporate Trust Office on the Amendment and Restatement Effective Date, unless the Borrower has given at least thirty (30) days' written notice to the Administrative Agent and has taken all actions required under the UCC of each relevant jurisdiction in order to ensure that the Secured Parties' first priority perfected security interest (subject to Permitted Liens) continues in effect.

(g) [Intentionally Omitted.]

(h) ERISA Matters. Except as would not reasonably be expected to constitute a Material Adverse Effect, the Borrower will not (i) engage or knowingly permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the United States Department of Labor, (ii) permit to exist any

failure to satisfy minimum funding standards, as defined in Section 302(a) of ERISA and Section 412(a) of the Code, or funding deficiency with respect to any Pension Plan other than a Multiemployer Plan, (iii) fail to make or knowingly permit any ERISA Affiliate to fail to make, any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto, (iv) terminate any Pension Plan so as to result in any liability, or (v) permit to exist any occurrence of any Reportable Event with respect to a Pension Plan.

(i) Operating Agreement. Other than amendments and modifications required in connection with an Permitted Exchange Transaction, the Borrower will not amend, modify, waive or terminate any provision of the Borrower LLC Agreement without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld).

(j) Changes in Payment Instructions to Obligors. The Borrower will not make any change, or permit the Collateral Administrator to make any change, in its instructions to Obligors regarding payments to be made with respect to the Collateral to the Collection Account, unless the Administrative Agent has consented to such change.

(k) Extension or Amendment of Collateral. The Borrower will not, except as otherwise permitted in Section 6.4(a) extend, amend or otherwise modify the terms of any Loan.

(l) Fiscal Year. The Borrower shall not change its fiscal year or method of accounting without providing the Administrative Agent with prior written notice (i) providing a detailed explanation of such changes and (ii) including a pro forma financial statements demonstrating the impact of such change.

(m) Change of Control. The Borrower shall not enter into any transaction or agreement which results in a Change of Control.

(n) Members of the Borrower. The Borrower shall not permit any Person which is not a United States person within the meaning Section 7701(a)(30) of the Code to own any membership interests in the Borrower.

(o) Ownership. The Borrower shall not have more than three (3) owners of its membership interests during the term of this Agreement.

(p) Tax Status. The Borrower shall not file any election or take any position to be treated as other than a "disregarded entity" or a partnership for U.S. tax purposes.

(q) Limited Partnership Agreements. Prior to the IPO Date, the Borrower shall provide notice to the Administrative Agent of any amendment to any Limited Partnership Agreement promptly following the effectiveness of such amendment.

Section 5.3. Affirmative Covenants of the Collateral Administrator.

The Collateral Administrator covenants and agrees with the Lenders that so long as this Agreement shall remain in effect and until the principal of and interest on Advances and all other Fees, expenses or amounts payable under any Transaction Document shall have been paid in full:

(a) Compliance with Law. The Collateral Administrator will comply in all material respects with all Applicable Law, including those with respect to the Collateral or any part thereof.

(b) Preservation of Company Existence. The Collateral Administrator will (i) preserve and maintain its company existence, rights, franchises and privileges in the jurisdiction of its formation and (ii) qualify and remain qualified in good standing as a limited liability company in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) Performance and Compliance with Collateral. The Collateral Administrator will duly fulfill and comply with all obligations on the part of the

Borrower to be fulfilled or complied with under or in connection with each item of Collateral and will do nothing to impair the rights of the Administrative Agent, as agent for the Secured Parties, or of the Secured Parties in, to and under the Collateral.

(d) Keeping of Records and Books of Account.

(i) The Collateral Administrator will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Collateral in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Collateral and the identification of the Collateral.

(ii) The Collateral Administrator shall permit the Administrative Agent or its designated representatives to visit the offices of the Collateral Administrator during normal office hours and upon reasonable notice and examine and make copies of all documents, books, records and other information concerning the Collateral and discuss matters related thereto with any of the officers or employees of the Collateral Administrator having knowledge of such matters.

(iii) The Collateral Administrator will on or prior to the date hereof, mark its master data processing records and other books and records relating to the Collateral with a legend, acceptable to the Administrative Agent, describing the transfer of the Collateral from the Borrower to the Administrative Agent as agent for the Secured Parties hereunder.

(e) Preservation of Security Interest. The Collateral Administrator (at its own expense) will authorize the Administrative Agent to file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the first priority perfected ownership and security interest of the Administrative Agent, as agent for the Secured Parties in, to and under the Loans and proceeds thereof and that portion of the Collateral in which a security interest may be perfected by filing.

(f) Credit and Collection Policy. The Collateral Administrator will (i) comply in all material respects with the Credit and Collection Policy in regard to the Collateral, and (ii) furnish to the Administrative Agent prior to its effective date, prompt written notice of

any changes in the Credit and Collection Policy. The Collateral Administrator will not agree to or otherwise permit to occur any material change in the Credit and Collection Policy without the prior written consent of the Administrative Agent; *provided* that no consent shall be required from the Administrative Agent in connection with any change mandated by Applicable Law or a Governmental Authority as evidenced by an Opinion of Counsel to that effect delivered to the Administrative Agent. Compliance by the Collateral Administrator with this covenant shall be deemed to constitute compliance by the Borrower with its corresponding obligations under Sections 5.1(h).

(g) Events of Default. Promptly following the Collateral Administrator's knowledge or notice of the occurrence of any Event of Default or Default, the Collateral Administrator will provide the Administrative Agent with written notice of the occurrence of such Event of Default or Default of which the Collateral Administrator has knowledge or has received notice. In addition, such notice will include a written statement of a Responsible Officer of the Collateral Administrator setting forth the details of such event and the action that the Collateral Administrator proposes to take with respect thereto.

(h) Taxes.

(i) Each of the Collateral Administrator and its equity owners shall pay its material Indebtedness and other obligations promptly and in accordance with their terms and timely pay and discharge promptly when due all material Taxes and withholding Tax obligations before the same shall become delinquent or in default, as well as all material lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof and enforce all material indemnities and rights against Obligors and its direct and indirect equity owners with respect to any material Tax or withholding Tax; *provided*, that such payment and discharge shall not be required with respect to any such Taxes or other obligations so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Collateral Administrator or the applicable equity owner shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation or Taxes and enforcement of a Lien. Each of the Collateral Administrator and its equity owners shall file or cause to be filed all material Tax and information returns required to be filed by it.

(ii) The Collateral Administrator will be United States person within the meaning of Section 7701(a)(30) of the Code and will be owned by entities that are United States persons within the meaning of Section 7701(a)(30) of the Code.

(i) Other. The Collateral Administrator will promptly furnish to the Administrative Agent such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of the Collateral Administrator as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent or Secured Parties under or as contemplated by this Agreement.

(j) Proceedings. The Collateral Administrator will furnish to the Administrative Agent, as soon as possible and in any event within three (3) Business Days after the Collateral Administrator receives notice or obtains knowledge thereof, notice of any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any material labor controversy, material litigation, material action, material suit or material proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Collateral, the Transaction Documents, the Secured Parties' interest in the Collateral, or the Borrower, the Collateral Administrator or any of their Affiliates; *provided* that notwithstanding the foregoing, any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral, the Transaction Documents, the Secured Parties' interest in the Collateral, or the Borrower, the Collateral Administrator or any of their Affiliates in excess of $1,000,000 or more shall be deemed to be material for purposes of this Section 5.3(j).

(k) Deposit of Collections. The Collateral Administrator shall promptly (but in no event later than two (2) Business Days after receipt) deposit into the applicable Collection Account any and all Collections received by the Borrower or the Collateral Administrator.

(l) Required Notices. The Collateral Administrator will furnish to the Administrative Agent, promptly upon becoming aware thereof, notice of (1) any Collateral Administrator Termination Event, (2) any Value Adjustment Event, (3) any Change of Control, (4) any other event or circumstance that could reasonably be expected to have a Material Adverse Effect, (5) any event or circumstance whereby any Loan which was included in the latest calculation of the Borrowing Base as an Eligible Loan shall fail to meet one or more of the criteria (other than criteria waived by the Administrative Agent on or prior to the related Funding Date in respect of such Loan) listed in the definition of "Eligible Loan" or (6) the occurrence of any default by an Obligor on any Loan.

(m) Accounting Changes. As soon as possible and in any event within three (3) Business Days after the effective date thereof, the Collateral Administrator will provide to the Administrative Agent notice of any change in the accounting policies of the Collateral Administrator.

Section 5.4. Negative Covenants of the Collateral Administrator.

During the Covenant Compliance Period, except for the Reorganization Transactions:

(a) Mergers, Acquisition, Sales, etc. The Collateral Administrator will not be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or all or substantially all of the equity interests any other Person, or sell, transfer, convey or lease all or substantially all of its assets, or sell or assign with or without recourse any Collateral or any interest therein (other than SPVs or as otherwise permitted pursuant to this Agreement).

(b) Change of Location of Underlying Instruments. The Collateral Administrator shall not, without the prior consent of the Administrative Agent, consent to the Collateral Custodian moving any Certificated Securities or Instruments from the Collateral

Custodian's Corporate Trust Office on the Amendment and Restatement Effective Date, unless the Collateral Administrator has given at least thirty (30) days' written notice to the Administrative Agent and has authorized the Administrative Agent to take all actions required under the UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Administrative Agent as agent for the Secured Parties in the Collateral.

(c) Change in Payment Instructions to Obligors. The Collateral Administrator will not make any change in its instructions to Obligors regarding payments to be made with respect to the Collateral to the Collection Account, unless the Administrative Agent has consented to such change.

(d) Extension or Amendment of Collateral. The Collateral Administrator will not, except as otherwise permitted in Section 6.4(a), extend, amend or otherwise modify the terms of any Loan.

(e) [Intentionally Omitted.]

(f) [Intentionally Omitted.]

(g) [Intentionally Omitted.]

(h) Restrictions With Respect to Indebtedness. The Collateral Administrator shall not incur or suffer to exist any Indebtedness (other than pursuant to this Agreement) without (i) providing prior written notice to the Administrative Agent of its intention to enter into a Permitted Financing Arrangement pursuant to which it will incur Indebtedness, (ii) requiring each lender under any such Permitted Financing Arrangement to expressly acknowledge that it has (A) no recourse to (x) the Collateral and (y) the membership interests (in whole or in part) of the Borrower and (B) that any amounts owed to such lender under the related agreement pursuant to which any such Indebtedness is incurred are expressly subordinate to the Collateral and any proceeds of the Collateral, (iii) include both a non-petition provision and a third party beneficiary provision with respect to the Secured Parties, in form and substance acceptable to Administrative Agent and (iv) providing evidence to the Administrative Agent of its compliance with the requirements set forth in clauses (ii) and (iii).

Section 5.5. Affirmative Covenants of the Collateral Custodian.

During the Covenant Compliance Period:

(a) Compliance with Law. The Collateral Custodian will comply in all material respects with all Applicable Law.

(b) Preservation of Existence. The Collateral Custodian will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation and qualify and remain qualified in good standing in each jurisdiction where failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) Location of Underlying Instruments. Subject to the Custodial Agreement, the Underlying Instruments shall remain at all times in the possession of the Collateral Custodian at the Corporate Trust Office unless notice of a different address is given in accordance with the terms hereof or unless the Administrative Agent agrees to allow certain Underlying Instruments to be released to the Collateral Administrator on a temporary basis in accordance with the terms hereof, except as such Underlying Instruments may be released pursuant to the Custodial Agreement.

Section 5.6. Negative Covenants of the Collateral Custodian.

During the Covenant Compliance Period:

(a) Underlying Instruments. The Collateral Custodian will not dispose of any documents constituting the Underlying Instruments in any manner that is inconsistent with the performance of its obligations as the Collateral Custodian pursuant to this Agreement or the Custodial Agreement and will not dispose of any Collateral except as contemplated by this Agreement or the Custodial Agreement.

(b) No Changes to Collateral Custodian Fee. The Collateral Custodian will not make any changes to the Collateral Custodian Fee set forth in the Collateral Custodian Fee Letter without the prior written approval of the Administrative Agent and the Borrower.

ARTICLE VI.

COLLATERAL ADMINISTRATION

Section 6.1. Designation of the Collateral Administrator.

Subject to Section 6.11, the servicing, administering and collection of the Collateral shall be conducted by the Collateral Administrator.

Section 6.2. Duties of the Collateral Administrator.

(a) Appointment. The Borrower hereby appoints the Collateral Administrator as its agent to service the Collateral and enforce its rights and remedies in, to and under such Collateral. The Collateral Administrator hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto as set forth herein. The Collateral Administrator and the Borrower hereby acknowledge that the Administrative Agent and the other Secured Parties are third party beneficiaries of the obligations undertaken by the Collateral Administrator hereunder.

(b) Duties. The Collateral Administrator shall take or cause to be taken all such actions as may be necessary or advisable to collect on the Collateral from time to time, all in accordance with Applicable Law and the Credit and Collection Policy. Without limiting the foregoing, the duties of the Collateral Administrator shall include the following:

(i) preparing and submitting claims to, and acting as post-billing liaison with, Obligors on each Loan (for which no administrative or similar agent exists);

(ii) maintaining all necessary records and reports with respect to the Collateral and providing such reports to the Administrative Agent in respect of the management and administration of the Collateral (including information relating to its performance under this Agreement) as may be required hereunder or as the Administrative Agent may reasonably request;

(iii) maintaining and implementing administrative and operating procedures (including, without limitation, an ability to recreate management and administration records evidencing the Collateral in the event of the destruction of the originals thereof) and keeping and maintaining all documents, books, records and other information reasonably necessary or advisable for the collection of the Collateral;

(iv) promptly delivering to the Administrative Agent or the Collateral Custodian, from time to time, such information and management and administration records (including information relating to its performance under this Agreement) as the Administrative Agent or the Collateral Custodian may from time to time reasonably request;

(v) identifying each Loan clearly and unambiguously in its records to reflect that such Loan is owned by the Borrower and that the Borrower is transferring an ownership interest therein to the Secured Parties pursuant to this Agreement;

(vi) notifying the Administrative Agent of any material action, suit, proceeding, dispute, offset, deduction, defense or counterclaim (1) that is or is threatened to be asserted by an Obligor with respect to any Loan (or portion thereof) of which it has knowledge or has received notice; or (2) that could reasonably be expected to have a Material Adverse Effect;

(vii) providing the prompt written notice to the Administrative Agent, prior to the effective date thereof, of any proposed changes in the Credit and Collection Policy;

(viii) using its reasonable best efforts to maintain the first priority, perfected security interest (subject to Permitted Liens) of the Administrative Agent, as agent for the Secured Parties, in the Collateral;

(ix) maintaining the Loan File(s) with respect to Loans included as part of the Collateral; *provided* that upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in Section 9.1(n)) or a Collateral Administrator Termination Event, the Administrative Agent may request the Loan File(s) to be sent to the Administrative Agent or its designee;

(x) with respect to each Loan included as part of the Collateral, making the Loan File available for inspection by the Administrative Agent, upon reasonable advance notice, at the offices of the Collateral Administrator during normal business hours; and

(xi) directing the Collateral Custodian to make payments pursuant to the instructions set forth in the latest Borrowing Base Certificate in accordance with Section 2.7 and Section 2.8 and preparing such other reports as required pursuant to Section 6.8.

It is acknowledged and agreed that in circumstances in which a Person other than the Borrower or the Collateral Administrator acts as lead agent with respect to any Loan, the Collateral Administrator shall perform its administrative and management duties hereunder only to the extent that, as a lender under the related loan syndication Underlying Instruments, it has the right to do so.

(c) Notwithstanding anything to the contrary contained herein, the exercise by the Administrative Agent or the Secured Parties of their rights hereunder (including, but not limited to, the delivery of a Collateral Administrator Termination Notice), shall not release the Collateral Administrator or the Borrower from any of their duties or responsibilities with respect to the Collateral. The Secured Parties, the Administrative Agent and the Collateral Custodian shall not have any obligation or liability with respect to any Collateral, other than to use reasonable care in the custody and preservation of collateral in such party's possession, nor shall any of them be obligated to perform any of the obligations of the Collateral Administrator hereunder.

(d) Any payment by an Obligor in respect of any Indebtedness owed by it to the Borrower shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by the Administrative Agent, be applied as a collection of a payment by such Obligor (starting with the oldest such outstanding payment due) to the extent of any amounts then due and payable thereunder before being applied to any other receivable or other obligation of such Obligor.

Section 6.3. Authorization of the Collateral Administrator.

(a) Each of the Borrower, the Administrative Agent and each Lender hereby authorizes the Collateral Administrator to take any and all reasonable steps in its name and on its behalf necessary or desirable in the determination of the Collateral Administrator and not inconsistent with the sale of the Collateral to the Borrower, the transfer by the Borrower to the Administrative Agent, on behalf of the Secured Parties, hereunder, to collect all amounts due under any and all Collateral, including, without limitation, endorsing any of their names on checks and other instruments representing Collections, executing and delivering any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Collateral and, after the delinquency of any Collateral and to the extent permitted under and in compliance with Applicable Law, to commence proceedings with respect to enforcing payment thereof. The Borrower and the Administrative Agent, on behalf of the Secured Parties shall furnish the Collateral Administrator with any powers of attorney and other documents necessary or appropriate to enable the Collateral Administrator to carry out its management and administrative duties hereunder, and shall cooperate with the Collateral Administrator to the fullest extent in order to ensure the collectability of the Collateral. In no event shall the Collateral Administrator be entitled to make any Secured Party or the Collateral Custodian a party to any litigation without such party's express prior written consent, or to make the Borrower a party to any litigation (other than any foreclosure or similar collection procedure) without the Administrative Agent's consent.

(b) After the declaration of the Termination Date, at the direction of the Administrative Agent, the Collateral Administrator shall take such action as the Administrative

Agent may deem necessary or advisable to enforce collection of the Collateral; *provided* that the Administrative Agent may, in accordance with Section 5.1(l), notify any Obligor with respect to any Collateral of the assignment of such Collateral to the Administrative Agent, on behalf of the Secured Parties, and direct that payments of all amounts due or to become due be made directly to the Administrative Agent or any collection agent, sub-agent or account designated by the Administrative Agent and, upon such notification and at the expense of the Borrower, the Administrative Agent may enforce collection of any such Collateral, and adjust, settle or compromise the amount or payment thereof.

Section 6.4. Collection of Payments; Accounts.

(a) Collection Efforts, Modification of Collateral. The Collateral Administrator will use commercially reasonable best efforts to collect or cause to be collected, all payments called for under the terms and provisions of the Loans included in the Collateral as and when the same become due in accordance with the Credit and Collection Policy. Except as permitted by Section 5.1(h), the Collateral Administrator may not waive, modify or otherwise vary any provision of an item of Collateral in any manner contrary in any material respect to the Credit and Collection Policy.

(b) Taxes and other Amounts. The Collateral Administrator will use its reasonable best efforts to collect all payments with respect to amounts due for Taxes, assessments and insurance premiums relating to each Loan to the extent required to be paid to the Borrower for such application under the Underlying Instrument and remit such amounts in accordance with Section 2.7 and Section 2.8 to the appropriate Governmental Authority or insurer as required by the Underlying Instruments.

(c) Payments to Collection Account. On or before the applicable Funding Date, the Collateral Administrator shall have instructed all Obligors to make all payments owing to the Borrower in respect of the Collateral directly to the applicable Collection Account; *provided* that the Collateral Administrator is not required to so instruct any Obligor which is solely a guarantor unless and until the Collateral Administrator calls on the related guaranty.

(d) Accounts. Each of the parties hereto hereby agrees that each Account shall be deemed to be a Securities Account. Each of the parties hereto hereby agrees to cause the Collateral Custodian or any other Securities Intermediary that holds any Cash or other Financial Asset for the Borrower in an Account to agree with the parties hereto that (A) the cash and other property (subject to Section 6.4(e) below with respect to any property other than investment property, as defined in Section 9-102(a)(49) of the UCC) is to be treated as a Financial Asset and (B) the jurisdiction governing the Account, all Cash and other Financial Assets credited to the Account and the "securities intermediary's jurisdiction" (within the meaning of Section 8-110(e) of the UCC) shall, in each case, be the State of New York. In no event may any Financial Asset held in any Account be registered in the name of, payable to the order of, or specially Indorsed to, the Borrower, unless such Financial Asset has also been Indorsed in blank or to the Collateral Custodian or other Securities Intermediary that holds such Financial Asset in such Account.

(e) Underlying Instruments. Notwithstanding any term hereof (or any term of the UCC that might otherwise be construed to be applicable to a "securities intermediary" as

defined in the UCC) to the contrary, none of the Collateral Custodian nor any Securities Intermediary shall be under any duty or obligation in connection with the acquisition by the Borrower, or the grant by the Borrower to the Administrative Agent, of any Loan to examine or evaluate the sufficiency of the documents or instruments delivered to it by or on behalf of the Borrower under the related Underlying Instruments, or otherwise to examine the Underlying Instruments, in order to determine or compel compliance with any applicable requirements of or restrictions on transfer (including without limitation any necessary consents). The Collateral Custodian shall hold any Instrument delivered to it evidencing any Loan transferred to the Administrative Agent hereunder as custodial agent for the Administrative Agent in accordance with the terms of this Agreement.

(f) Adjustments. If (i) the Collateral Administrator makes a deposit into the Collection Account on behalf of the Borrower in respect of a Collection of a Loan and such Collection was received by the Collateral Administrator in the form of a check that is not honored for any reason or (ii) the Collateral Administrator makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Collateral Administrator shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any Scheduled Payment in respect of which a dishonored check is received shall be deemed not to have been paid.

Section 6.5. Realization Upon Loans subject to a Value Adjustment Event.

The Collateral Administrator will use reasonable efforts consistent with the Underlying Instruments to exercise available remedies relating to a Loan that has become subject to one or more Value Adjustment Events in order to maximize recoveries thereunder. The Collateral Administrator will comply in all material respects with the Credit and Collection Policy and Applicable Law in exercising such remedies, including but not limited to acceleration and foreclosure, and employ practices and procedures including reasonable efforts to enforce all obligations of Obligors by foreclosing upon and causing the sale of such Underlying Assets at public or private sale. Without limiting the generality of the foregoing, the Collateral Administrator may, with the prior written consent of the Administrative Agent, cause the sale of any such Underlying Assets to the Collateral Administrator or its Affiliates for a purchase price equal to the then fair market value thereof, any such sale to be evidenced by a certificate of a Responsible Officer of the Collateral Administrator delivered to the Administrative Agent setting forth the Loan, the Underlying Assets, the sale price of the Underlying Assets and certifying that such sale price is the fair market value of such Underlying Assets.

Section 6.6. [Intentionally Omitted.]

Section 6.7. Payment of Certain Expenses by Collateral Administrator.

The Collateral Administrator will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including fees and disbursements of its independent accountants, Taxes imposed on the Collateral Administrator, expenses incurred by the Collateral Administrator in connection with payments and reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement for the

account of the Borrower. The Collateral Administrator will be required to pay (or cause the Borrower to pay) all reasonable fees and expenses owing to any bank or trust company in connection with the maintenance of the Accounts. The Collateral Administrator shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Collateral Administration Fee.

Section 6.8. Reports.

(a) Borrower's Notice. On each Funding Date and on each reinvestment of Principal Collections pursuant to Section 2.7(b) or Section 2.7(c), the Borrower (and the Collateral Administrator on its behalf) will provide the applicable Borrower's Notice and a Borrowing Base Certificate, each updated as of such date, to the Administrative Agent (with a copy to the Collateral Custodian).

(b) Tax Returns. Upon demand by the Administrative Agent, the Collateral Administrator shall deliver copies of all federal, state and local income tax returns and reports filed by the Borrower and the Collateral Administrator, or in which the Borrower or the Collateral Administrator was included on a consolidated or

combined basis (excluding sales, use and like Taxes).

(c) Obligor Financial Statements; Other Reports. The Collateral Administrator will deliver to the Administrative Agent, to the extent received by the Borrower or the Collateral Administrator pursuant to the Underlying Instruments, the complete financial reporting package with respect to each Obligor and with respect to each Loan for such Obligor (including any financial statements, management discussion and analysis, executed covenant compliance certificates and related covenant calculations with respect to such Obligor and with respect to each Loan for such Obligor) provided to the Borrower or the Collateral Administrator for the periods required by the Underlying Instruments, which delivery shall be made within five (5) Business Days after receipt by the Borrower or the Collateral Administrator as specified in the Underlying Instruments. Upon demand by the Administrative Agent, the Collateral Administrator will provide such other information available to it as the Administrative Agent may reasonably request with respect to any Obligor.

(d) Amendments to Loans. The Collateral Administrator will post on a password protected website maintained by the Borrower to which the Administrative Agent will have access a copy of any material amendment, restatement, supplement, waiver or other modification to the Underlying Instruments of any Loan (along with any internal documents prepared by the Collateral Administrator and provided to its investment committee in connection with such amendment, restatement, supplement, waiver or other modification) within ten (10) Business Days of the effectiveness of such amendment, restatement, supplement, waiver or other modification.

Section 6.9. Annual Statement as to Compliance.

The Collateral Administrator will provide to the Administrative Agent, within 90 days following the end of each fiscal year of the Collateral Administrator, a fiscal report signed by a Responsible Officer of the Collateral Administrator certifying that (a) a review of the activities

of the Collateral Administrator, and the Collateral Administrator's performance pursuant to this Agreement, for the fiscal period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Collateral Administrator has performed or has caused to be performed in all material respects all of its obligations under this Agreement throughout such year and no Collateral Administrator Termination Event has occurred and is continuing or, if any such Collateral Administrator Termination Event has occurred and is continuing, a statement describing the nature thereof and the steps being taken to remedy such Collateral Administrator Termination Event.

Section 6.10. The Collateral Administrator Not to Resign.

The Collateral Administrator shall not resign from the obligations and duties hereby imposed on it except upon the Collateral Administrator's determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and (ii) there is no reasonable action that the Collateral Administrator could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Collateral Administrator shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Administrative Agent.

Section 6.11. Collateral Administrator Termination Events.

Upon the occurrence of a Collateral Administrator Termination Event, notwithstanding anything herein to the contrary, the Administrative Agent, by written notice to the Collateral Administrator and a copy to the Collateral Custodian (such notice, a "Collateral Administrator Termination Notice"), may, in its sole discretion, terminate all of the rights and obligations of the Collateral Administrator as Collateral Administrator under this Agreement. Following any such termination, the Administrative Agent may, in its sole discretion, assume or delegate the servicing, administering and collection of the Collateral; *provided* that, until any such assumption or delegation, the Collateral Administrator shall (i) unless otherwise notified by the Administrative Agent, continue to act in such capacity pursuant to Section 6.1 and (ii) as requested by the Administrative Agent (A) terminate some or all of its activities as Collateral Administrator hereunder in the manner requested by the Administrative Agent in its sole discretion as necessary or desirable, (B) provide such information as may be reasonably requested by the Administrative Agent to facilitate the transition of the performance of such activities to the Administrative Agent or any agent thereof and (C) take all other actions requested by the Administrative Agent, in each case to facilitate the transition of the performance of such activities to the Administrative Agent or any agent thereof.

ARTICLE VII.

INTENTIONALLY OMITTED

ARTICLE VIII.

SECURITY INTEREST

Section 8.1. Grant of Security Interest.

(a) This Agreement constitutes a security agreement and the Advances effected hereby constitute secured loans by the applicable Lenders to the Borrower under Applicable Law. For such purpose, the Borrower hereby transfers, conveys, assigns and grants to the Administrative Agent, as agent for the Secured Parties, a lien and continuing security interest in all of the Borrower's right, title and interest in, to and under (but none of the obligations under) all Collateral, whether now existing or hereafter arising or acquired by the Borrower, and wherever the same may be located, to secure the prompt, complete and indefeasible payment and performance in full when due, whether by lapse of time, acceleration or otherwise, of the Obligations of the Borrower arising in connection with this Agreement and each other Transaction Document, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, including, without limitation, all Obligations. Notwithstanding any of the other provisions set forth in this Agreement, this Agreement shall not constitute a grant of a security interest in any property to the extent that such grant of a security interest is prohibited by any Applicable Law not in effect as of the date hereof or requires a consent not obtained of any Governmental Authority pursuant to such Applicable Law. The powers conferred on the Administrative Agent and the other Secured Parties hereunder are solely to protect the Administrative Agent's and the other Secured Parties' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Secured Party to exercise any such powers. Each of the Administrative Agent and each Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act hereunder, except for its own gross negligence, bad faith or willful misconduct. If the Borrower fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation to do so, may itself perform or comply, or otherwise cause performance or compliance, with such agreement. The expenses of the Administrative Agent incurred in connection with such performance or compliance, together with interest thereon at a rate *per annum* 2.0% above the rate *per annum* applicable to Advances, shall be payable by the Borrower to the Administrative Agent on demand and shall constitute Obligations secured hereby.

(b) The grant of a security interest under this Section 8.1 does not constitute and is not intended to result in a creation or an assumption by the Administrative Agent or any of the other Secured Parties of any obligation of the Borrower or any other Person in connection with any or all of the Collateral or under any agreement or instrument relating thereto. Anything herein to the contrary notwithstanding, (i) the Borrower shall remain liable under the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Administrative Agent,

as agent for the Secured Parties, of any of its rights in the Collateral shall not release the Borrower from any of its duties or obligations under the Collateral, and (iii) none of the Administrative Agent or any other Secured Party shall have any obligations or liability under the Collateral by reason of this Agreement, nor shall the Administrative Agent or any other Secured Party be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(c) Notwithstanding anything to the contrary, the Lender, the Borrower, the Collateral Administrator, the Administrative Agent, the Collateral Custodian and each Lender hereby agree to treat, and to cause each of their respective Affiliates to treat, each Variable Funding Note as indebtedness for purposes of United States federal and state income tax or state franchise tax to the extent permitted by Applicable Law and shall file its tax returns or reports, or cause its Affiliates to file such tax returns or reports, in a manner consistent with such treatment.

Section 8.2. Release of Lien on Collateral.

At the same time as (i) any Collateral expires by its terms and all amounts in respect thereof have been paid in full by the related Obligor and deposited in the Collection Account, (ii) such Loan has been the subject of a Discretionary Sale pursuant to Section 2.15 or (iii) this Agreement terminates in accordance with Section 12.6, the Administrative Agent, as agent for the Secured Parties will, to the extent requested by the Collateral Administrator, release its interest in such Collateral. In connection with any sale of such Collateral, the Administrative Agent, as agent for the Secured Parties, will after the deposit by the Collateral Administrator of the Proceeds of such sale into the Collection Account, at the sole expense of the Collateral Administrator, execute and deliver to the Collateral Administrator any assignments, bills of sale, termination statements and any other releases and instruments as the Collateral Administrator may reasonably request in order to effect the release and transfer of such Collateral; *provided* that, the Administrative Agent, as agent for the Secured Parties, will make no representation or warranty, express or implied, with respect to any such Collateral in connection with such sale or transfer and assignment. Nothing in this section shall diminish the Collateral Administrator's obligations pursuant to Section 6.5 with respect to the Proceeds of any such sale.

Section 8.3. Further Assurances.

The provisions of Section 12.12 shall apply to the security interest granted under Section 8.1 as well as to the Advances hereunder.

Section 8.4. Remedies.

Subject to the provisions of Section 9.2, upon the occurrence of an Event of Default (other than an Event of Default described in Section 9.1(n)), the Administrative Agent and Secured Parties shall have, with respect to the Collateral granted pursuant to Section 8.1, and in addition to all other rights and remedies available to the Administrative Agent and Secured Parties under this Agreement or other Applicable Law, all rights and remedies of a secured party upon default under the UCC. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Borrower

or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances transfer all or any part of the Collateral into the Administrative Agent's name or the name of its nominee or nominees, and/or forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Secured Party or elsewhere upon such terms and conditions (including by lease or by deferred payment arrangement) as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk and/or may take such other actions as may be available under applicable law. The Administrative Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, auction or closed tender, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Borrower, which right or equity is hereby waived or released. The Borrower further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select (on its behalf and on behalf of the Secured Parties), whether at the Borrower's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the other Secured Parties arising out of the exercise by the Administrative Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need the Administrative Agent account for the surplus, if any, to the Borrower. To the extent permitted by applicable law, the Borrower waives all claims, damages and demands it may acquire against the Administrative Agent or any other Secured Party arising out of the exercise by the Administrative Agent or any other Secured Party of any of its rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition. The Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Secured Party to collect such deficiency.

Section 8.5. Waiver of Certain Laws.

Each of the Borrower and the Collateral Administrator agrees, to the full extent that it may lawfully so agree, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Collateral may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Collateral or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and each of the Borrower and the

Collateral Administrator, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all right to have any of the properties or assets constituting the Collateral marshaled upon any such sale, and agrees that the Administrative Agent or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Collateral as an entirety or in such parcels as the Administrative Agent or such court may determine.

Section 8.6. Power of Attorney.

Each of the Borrower and the Collateral Administrator hereby irrevocably appoints the Administrative Agent its true and lawful attorney (with full power of

substitution) in its name, place and stead and at is expense, in connection with the enforcement of the rights and remedies provided for (and subject to the terms and conditions set forth) in this Agreement during the continuance of an Event of Default (other than an Event of Default described in Section 9.1(n)), including without limitation the following powers: (a) to give any necessary receipts or acquittance for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral in connection with any such sale or other disposition made pursuant hereto, (c) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale or other disposition, the Borrower and the Collateral Administrator hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document. Nevertheless, if so requested by the Administrative Agent, the Borrower shall ratify and confirm any such sale or other disposition by executing and delivering to the Administrative Agent or such purchaser all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

ARTICLE IX.

EVENTS OF DEFAULT

Section 9.1. Events of Default.

The following events shall be Events of Default ("Events of Default") hereunder:

(a) the Borrower fails to make any payment when due under this Agreement;*provided* that, the Borrower shall have three (3) days to provide such payment if such failure is solely due to an administrative error on the part of the Collateral Custodian; or

(b) the Borrower or the Collateral Administrator defaults in making any payment required to be made under an agreement for borrowed money (other than this Agreement) to which it is a party individually or in an aggregate principal amount in excess of $5,000,000 and such default is not cured within the applicable cure period, if any, provided for under such agreement; or

(c) any failure on the part of the Borrower, the Collateral Administrator or Taxable Entity duly to observe or perform in any material respect any other covenants or agreements of the Borrower, the Collateral Administrator or such Taxable Entity (other than

those specifically addressed by a separate Event of Default), as applicable, set forth in this Agreement or the other Transaction Documents to which such Person is a party and the same continues unremedied for a period of thirty (30) days (if such failure can be remedied) after the earlier to occur of (i) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Borrower by the Administrative Agent and (ii) the date on which the Borrower acquires knowledge thereof; or

(d) the occurrence of an Insolvency Event relating to the Borrower; or

(e) the occurrence of a Collateral Administrator Termination Event; or

(f) the rendering of one or more final judgments, decrees or orders by a court or arbitrator of competent jurisdiction for the payment of money in excess individually or in the aggregate of $5,000,000, against the Borrower, and the Borrower shall not have, within ninety (90) days, either (i) discharged or provided for the discharge of any such judgment, decree or order in accordance with its terms or (ii) perfected a timely appeal of such judgment, decree or order and caused the execution of same to be stayed during the pendency of the appeal; or

(g) the Borrower shall assign or attempt to assign any of its rights, obligations or duties under this Agreement without the prior written consent of the Administrative Agent (such consent to be provided) in the sole and absolute discretion of the Administrative Agent;

(h) the Borrower or the Collateral Administrator fails to observe or perform any agreement or obligation with respect to the management and distribution of funds received with respect to the Loans, and such failure is not cured with three (3) Business Days; or

(i) the Borrower shall fail to satisfy the criteria set forth inSection 4.1(u); or

(j) any Transaction Document, or any Lien granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower or the Collateral Administrator, as applicable,

(k) the Borrower the Collateral Administrator or any other party shall, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of any Transaction Document or any lien or security interest thereunder, or

(l) any security interest securing any obligation under any Transaction Document shall, in whole or in part, cease to be a first priority perfected security interest (subject to Permitted Liens) except as otherwise expressly permitted to be released in accordance with the applicable Transaction Document; or

(m) the Advances Outstanding on any day exceed the Maximum Availability and the same continues unremedied (i) on the day immediately following the expiration of the applicable cure period specified in the definition of Value Adjustment Event (if such excess is caused solely as a result of the failure of the Borrower to comply with the terms of a Proposed Cure Notice on or prior to the expiration of such cure period), or (ii) for five (5) Business Days (if such excess is not caused by the event described in sub-clause (i) of this clause (m); or

(n) the occurrence of a Permanent BDC Asset Coverage Event; or

(o) the Internal Revenue Service or any other Governmental Authority shall (i) assess, claim or take the position that the Borrower or the Collateral Administrator is liable for any Tax or withholding Tax (other than a withholding tax under Section 1441 of the Code) or (ii) file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower, the Collateral Administrator or, prior to the IPO Date, the AIV, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any material assets of the Borrower, the Collateral Administrator or, prior to the IPO Date, the AIV, and such lien shall not have been released within five (5) Business Days; or

(p) any Change of Control shall occur without the Administrative Agent's prior written consent; or

(q) any representation, warranty or certification made by the Borrower, any Taxable Entity or the Collateral Administrator in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect in any material respect when made or deemed made, which has an adverse effect on the Administrative Agent or any Lender; or

(r) (A) any material provision of the Indemnity Agreement shall at any time for any reason cease to be valid and binding or in full force and effect; or (B) the AIV or the Borrower shall deny that it has any or further liability or obligation under any material provision of the Indemnity Agreement; or (C) the validity or enforceability of any material provision of the Indemnity Agreement shall be contested by either the Borrower or the AIV; or

(s) the Excess Future Funding Obligation Amount exceeds the Excess Future Funding Coverage Amount for more than three (3) consecutive Business Days.

Section 9.2. Remedies.

(a) Upon the occurrence of an Event of Default (other than an Event of Default described in Section 9.1(n)) the Administrative Agent shall, at the request of, or may, with the consent of the Required Lenders, by notice to the Borrower, declare (i) the Termination Date to have occurred and the VFNs to be immediately due and payable in full (without presentment, demand, protest or notice of any kind all of which are hereby waived by the Borrower) or (ii) the Revolving Period End Date to have occurred; *provided* that in the case of any event involving the Borrower described in Section 9.1(d), the VFNs shall be immediately due and payable in full (without presentment, demand, notice of any kind, all of which are hereby expressly, waived by the Borrower) and the Termination Date shall be deemed to have occurred automatically upon the occurrence of any such event. For the avoidance of doubt, during the continuation of an Event of Default described in Section 9.1(n) there will be no limitation on the rights or remedies of the Administrative Agent or the Secured Parties under this Agreement, other than the inability of the Administrative Agent to (A) declare the Termination Date as set forth in clause (i) of this Section 9.2(a) and (B) foreclose on or liquidate the Collateral or any portion thereof.

(b) Upon the declaration or occurrence of the Revolving Period End Date or a Termination Date, the Amortization Period shall commence.

(c) On and after the declaration or occurrence of the Termination Date, the Administrative Agent, for the benefit of the Secured Parties, shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided under the UCC of each applicable jurisdiction and other Applicable Laws, which rights shall be cumulative. In addition, the Borrower and the Collateral Administrator hereby agree that they will, at the Collateral Administrator's expense and at the direction of the Administrative Agent, forthwith, (i) assemble all or any part of the Loans as directed by the Administrative Agent and make the same available to the Administrative Agent at a place to be designated by the Administrative Agent and (ii) without notice except as specified below, sell the Loans or any part thereof upon such terms, in such lots, to such buyers, and according to such other instructions as the Administrative Agent may deem commercially reasonable. The Borrower agrees that, to the extent notice of sale shall be required by law, ten (10) days' notice to the Borrower of any sale hereunder shall constitute reasonable notification. All cash Proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Loans (after payment of any amounts incurred in connection with such sale) shall be deposited into the Collection Account and to be applied pursuant to Section 2.8. For the avoidance of doubt, the occurrence of a Termination Date as defined in clauses (a) through (d), inclusive, of the definition of "Termination Date" shall constitute a Termination Date for the purposes of this Section 9.2

ARTICLE X.

INDEMNIFICATION

Section 10.1. Indemnities by the Borrower.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Administrative Agent, the Collateral Custodian, the Secured Parties, the Affected Parties and each of their respective assigns and officers, directors, employees and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively referred to as the "Indemnified Amounts") awarded against or incurred by such Indemnified Party and other non-monetary damages of any such Indemnified Party or any of them arising out of or as a result of this Agreement or having an interest in the Collateral or in respect of any Loan included in the Collateral, excluding, however, any Indemnified Amounts to the extent resulting from gross negligence, bad faith or willful misconduct on the part of any Indemnified Party or in respect of Taxes (other than those described in clause (xiii) of this Section 10.1(a)). If the Borrower has made any indemnity payment pursuant to this Section 10.1 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts then, the recipient shall repay to the Borrower an amount equal to the amount it has collected from others in respect of such indemnified amounts. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts (except to the

extent resulting from gross negligence, bad faith or willful misconduct on the part of any Indemnified Party) relating to or resulting from:

(i) any representation or warranty made or deemed made by the Borrower, the Collateral Administrator or any of their respective officers under or in connection with this Agreement or any other Transaction Document, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(ii) the failure of any Loan acquired on the Closing Date to be an Eligible Loan as of the Closing Date and the failure of any Loan acquired after the Closing Date to be an Eligible Loan on the related Funding Date;

(iii) the failure by the Borrower or the Collateral Administrator to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Collateral or the nonconformity of any Collateral with any such Applicable Law;

(iv) the failure to vest and maintain vested in the Administrative Agent, as agent for the Secured Parties, an undivided interest in the Collateral, together with all Collections, free and clear of any Lien (other than Permitted Liens) whether existing at the time of any Advance at any time thereafter;

(v) the failure to maintain, as of the close of business on each Business Day prior to the Termination Date, an amount of Advances Outstanding that is less than or equal to the Maximum Availability on such Business Day;

(vi) the failure to file, or any delay in filing, financing statements, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Law with respect to any Collateral, whether at the time of any Advance at any subsequent time, if such failure or delay (i) was caused by the Borrower or the Collateral Administrator, (ii) could have been cured by either the Collateral Administrator or the Borrower and such cure was not effected in a timely manner or (iii) resulted from a failure or delay by either the Borrower or the Collateral Administrator to confirm satisfactory completion in a timely manner of any and all actions they requested in order to maintain compliance with the UCC or such other Applicable Law;

(vii) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Obligor) of the Obligor to the payment with respect to any Collateral (including, without limitation, a defense based on the Collateral not being a legal, valid and binding obligation of such Obligor enforceable against it in

accordance with its terms), or any other claim resulting from the sale of the merchandise or services related to such Collateral or the furnishing or failure to furnish such merchandise or services;

(viii) any failure of the Borrower or the Collateral Administrator to perform its duties or obligations in accordance with the provisions of this Agreement or any of the other Transaction Documents to which it is a party or any failure by the Borrower or any Affiliate thereof to perform its respective duties under any Collateral;

(ix) the failure of the Collateral Custodian to remit any amounts held in the Collection Account pursuant to the instructions of the Collateral Administrator or the Administrative Agent (to the extent such Person is entitled to give such instructions in accordance with the terms hereof) whether by reason of the exercise of set-off rights or otherwise;

(x) any inability to obtain any judgment in, or utilize the court or other adjudication system of, any state in which an Obligor may be located as a result of the failure of the Borrower to qualify to do business or file any notice or business activity report or any similar report;

(xi) any action taken by the Borrower or the Collateral Administrator in the enforcement or collection of any Collateral;

(xii) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with the Underlying Assets or services that are the subject of any Collateral;

(xiii) the failure by the Borrower to pay when due any Taxes for which the Borrower is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Collateral;

(xiv) any repayment by the Administrative Agent or another Secured Party of any amount previously distributed in reduction of Advances Outstanding or payment of Interest or any other amount due hereunder which amount the Administrative Agent or another Secured Party believes in good faith is required to be repaid;

(xv) except with respect to funds held in the Collection Account, the commingling of Collections on the Collateral at any time with other funds;

(xvi) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of Advances or the security interest in the Collateral;

(xvii) any failure by the Borrower to give reasonably equivalent value to the applicable third party transferor, in consideration for the transfer by such third party to the Borrower of any item of Collateral or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code;

(xviii) the use of the proceeds of any Advance in a manner other than as provided in this Agreement;

(xix) the failure of the Borrower or any of its respective agents or representatives to remit to the Collateral Administrator or the Administrative Agent, Collections on the Collateral remitted to the Borrower, the Collateral Administrator or any such agent or representative as provided in this Agreement; or

(xx) the failure of the Collateral Administrator to satisfy its obligations under Section 10.2.

(b) Any amounts subject to the indemnification provisions of this Section 10.1 shall be paid by the Borrower to the Indemnified Party on the Payment Date following such Person's demand therefor, which demand shall be made at least two (2) Business Days prior to such Payment Date and shall be accompanied by a reasonably detailed description in writing of the related damage, loss, claim, liability and related costs and expenses.

(c) If for any reason the indemnification provided above in this Section 10.1 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless, then the Borrower or the Collateral Administrator, as the case may be, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Borrower or the Collateral Administrator, as the case may be, on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations; *provided* that neither the Borrower nor the Collateral Administrator shall be required to contribute in respect of any Indemnified Amounts excluded in Section 10.1(a).

(d) The obligations of the Borrower under this Section 10.1 shall survive the resignation or removal of the Administrative Agent, the Collateral Administrator or the Collateral Custodian and the termination of this Agreement.

Section 10.2. Indemnities by the Collateral Administrator.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Collateral Administrator hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all Indemnified Amounts awarded against or incurred by any such Indemnified Party by reason of any acts or omissions of the Collateral Administrator, including, but not limited to (i) any representation or warranty made by the Collateral Administrator under or in connection with any Transaction Document or any other information or report delivered by or on behalf of the Collateral Administrator pursuant hereto, which shall have been false, incorrect or misleading in any material respect when made or deemed made, (ii) the failure by the Collateral Administrator to comply with any Applicable Law, (iii) the failure of the Collateral Administrator to comply with its duties or obligations in accordance with this Agreement or (iv) any litigation, proceedings or investigation against the Collateral Administrator in connection with any Transaction Document or its role as Collateral Administrator hereunder. The provisions of this indemnity shall run directly to and be enforceable by an injured party subject to the limitations hereof.

(b) Any amounts subject to the indemnification provisions of this Section 10.2 shall be paid by the Collateral Administrator to the Indemnified Party within five (5) Business Days following such Person's demand therefor.

(c) The Collateral Administrator shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible or uncollected Loans.

(d) The obligations of the Collateral Administrator under this Section 10.2 shall survive the resignation or removal of the Administrative Agent or the Collateral Custodian and the termination of this Agreement.

(e) Any indemnification pursuant to this Section 10.2 shall not be payable from the Collateral.

Section 10.3. After-Tax Basis.

Indemnification under Section 10.1 and Section 10.2 shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the receipt of the indemnity payment provided hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits that is or was payable by the Indemnified Party.

ARTICLE XI.

THE ADMINISTRATIVE AGENT

Section 11.1. Appointment.

Each Secured Party hereby appoints and authorizes the Administrative Agent as its agent and bailee for purposes of perfection pursuant to the applicable UCC and hereby further authorizes the Administrative Agent to appoint additional agents and bailees (including, without limitation, the Collateral Custodian) to act on its behalf and for the benefit of each of the Secured Parties. Each Secured Party further authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. In furtherance, and without limiting the generality, of the foregoing, each Secured Party hereby appoints the Administrative Agent as its agent to execute and deliver all further instruments and documents, and take all further action that the Administrative Agent may deem necessary or appropriate or that a Secured Party may reasonably request in order to perfect, protect or more fully evidence the security interests granted by the Borrower hereunder, or to enable any of them to exercise or enforce any of their respective rights hereunder, including, without limitation, the execution by the Administrative Agent as secured party/assignee of such financing or continuation statements, or amendments thereto or assignments thereof, relative to all or any of the Collateral now existing or hereafter arising, and such other instruments or notices, as may be necessary or appropriate for the purposes stated hereinabove. The Lenders may direct the Administrative Agent to take any such incidental action hereunder. With respect to other actions which are incidental to the actions specifically delegated to the Administrative Agent hereunder, the Administrative Agent shall not be required to take any such incidental action hereunder, but shall be required to act or to refrain from acting (and shall be fully protected in acting or refraining from acting) upon the

direction of the Lenders; *provided* that the Administrative Agent shall not be required to take any action hereunder if the taking of such action, in the reasonable determination of the Administrative Agent, shall be in violation of any Applicable Law or contrary to any provision of this Agreement or shall expose the Administrative Agent to liability hereunder or otherwise. In the event the Administrative Agent requests the consent of a Lender pursuant to the foregoing provisions and the Administrative Agent does not receive a consent (either positive or negative) from such Person within ten (10) Business Days of such Person's receipt of such request, then such Lender shall be deemed to have declined to consent to the relevant action.

Section 11.2. Standard of Care.

The Administrative Agent shall exercise such rights and powers vested in it by this Agreement and the other Transaction Documents, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Section 11.3. Administrative Agent's Reliance, Etc.

Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Administrative Agent under or in connection with this Agreement or any of the other Transaction Documents, except for its or their own gross negligence, bad faith or willful misconduct. Without limiting the foregoing, the Administrative Agent: (i) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation and shall not be responsible for any statements, warranties or representations made by any other Person in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any of the other Transaction Documents on the part of the Borrower or the Collateral Administrator or to inspect the property (including the books and records) of the Borrower or the Collateral Administrator; (iv) shall not be responsible for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any of the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or any of the other Transaction Documents by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

Section 11.4. Credit Decision with Respect to the Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, or any of the Administrative Agent's Affiliates, and based upon such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and the other Transaction Documents to which it is a party. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, or any of the Administrative Agent's Affiliates, and based on such

documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement and the other Transaction Documents to which it is a party.

Section 11.5. Indemnification of the Administrative Agent.

Each Lender agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower or the Collateral Administrator), ratably in accordance with its Pro Rata Share from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any of the other Transaction Documents, or any action taken or omitted by the Administrative Agent hereunder or thereunder; *provided* that, the Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross

negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent, ratably in accordance with its Pro Rata Share promptly upon demand for any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and the other Transaction Documents, to the extent that such expenses are incurred in the interests of or otherwise in respect of the Lenders hereunder and/or thereunder and to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower or the Collateral Administrator.

Section 11.6. Successor Administrative Agent.

The Administrative Agent may resign at any time, effective upon the appointment and acceptance of a successor Administrative Agent as provided below, by giving at least five (5) days' written notice thereof to each Lender and the Borrower and may be removed at any time with cause by the Lenders acting jointly. Upon any such resignation or removal, the Lenders acting jointly shall appoint a successor Administrative Agent with the consent of the Borrower, such consent not to be unreasonably withheld. Each of the Borrower and each Lender agree that it shall not unreasonably withhold or delay its approval of the appointment of a successor Administrative Agent. If no such successor Administrative Agent shall have been so appointed, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation or the removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Secured Parties, appoint a successor Administrative Agent which successor Administrative Agent shall be either (i) a commercial bank organized under the laws of the United States or of any state thereof and have a combined capital and surplus of at least $50,000,000 or (ii) an Affiliate of such a bank. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this ARTICLE XI shall continue

to inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

Section 11.7. Payments by the Administrative Agent.

Unless specifically allocated to a specific Lender pursuant to the terms of this Agreement, all amounts received by the Administrative Agent on behalf of the Lenders shall be paid by the Administrative Agent to the Lenders in accordance with their respective Pro Rata Shares in the applicable Advances Outstanding, or if there are no Advances Outstanding in accordance with their most recent Commitments, on the Business Day received by the Administrative Agent, unless such amounts are received after 12:00 noon on such Business Day, in which case the Administrative Agent shall use its reasonable efforts to pay such amounts to each Lender on such Business Day, but, in any event, shall pay such amounts to such Lender not later than the following Business Day.

ARTICLE XII.

MISCELLANEOUS

Section 12.1. Amendments and Waivers.

Except as provided in this Section 12.1, no amendment, waiver or other modification of any provision of this Agreement shall be effective without the written agreement of the Borrower, the Administrative Agent and the Required Lenders; *provided* that, (i) any amendment of the Agreement that is solely for the purpose of adding a Lender may be effected without the written consent of the Borrower or any Lender, (ii) no such amendment, waiver or modification materially adversely affecting the rights or obligations of the Collateral Custodian shall be effective without the written agreement of such Person, (iii) any amendment of the Agreement that a Lender is advised by its legal or financial advisors to be necessary in order to avoid the consolidation of the Borrower with such Lender for accounting purposes may be effected without the written consent of the Borrower or any other Lender and (iv) any deemed waiver of an Event of Default under Section 9.1(n) pursuant to Section 5.1(t) shall be effective without the written agreement of the Borrower, the Administrative Agent and the Required Lenders.

Section 12.2. Notices, Etc.

All notices, reports and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy) and mailed, e-mailed, faxed, transmitted or delivered, as to each party hereto, at its address set forth on Annex A to this Agreement or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five (5) days after being deposited in the United States mail, first class postage prepaid, (b) notice by e-mail, when verbal or electronic communication of receipt is obtained, or (c) notice by facsimile copy, when verbal communication of receipt is obtained.

Section 12.3. Ratable Payments.

If any Lender, whether by setoff or otherwise, has payment made to it with respect to any portion of the Obligations owing to such Lender (other than payments received pursuant to Section 10.1) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of the Obligations held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of the Obligations; *provided* that if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 12.4. No Waiver; Remedies.

No failure on the part of the Administrative Agent, the Collateral Custodian or a Secured Party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

Section 12.5. Binding Effect; Benefit of Agreement.

This Agreement shall be binding upon and inure to the benefit of the Borrower, the Collateral Administrator, the Administrative Agent, the Collateral Custodian, the Secured Parties and their respective successors and permitted assigns. Each Affected Party and each Indemnified Party shall be an express third party beneficiary of this Agreement.

Section 12.6. Term of this Agreement.

This Agreement, including, without limitation, the Borrower's representations and covenants set forth inArticles IV and V, and the Collateral Administrator's representations, covenants and duties set forth in Articles IV and V, create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall

remain in full force and effect during the Covenant Compliance Period; *provided* that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Borrower or the Collateral Administrator pursuant to Articles IV and V, the provisions, including, without limitation the indemnification and payment provisions, of Article X, Section 2.13, Section 12.9, Section 12.10 and Section 12.11, shall be continuing and shall survive any termination of this Agreement.

Section 12.7. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 12.8. Waivers.

The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 12.8 any special, exemplary, punitive or consequential damages.

Section 12.9. Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Indemnified Parties under ARTICLE X hereof, the Borrower agrees to pay on the Payment Date following receipt of a request for payment of all costs and expenses that have been invoiced at least two (2) Business Days prior to such Payment Date of the Administrative Agent and the Collateral Custodian incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), renewal, amendment or modification of, or any waiver or consent issued in connection with, this Agreement and the other documents to be delivered hereunder or in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Collateral Custodian with respect thereto and with respect to advising the Administrative Agent and the Collateral Custodian as to their respective rights and remedies under this Agreement and the other documents to be delivered hereunder or in connection herewith, and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Administrative Agent, the Collateral Custodian or the Secured Parties in connection with the enforcement of this Agreement by such Person and the other documents to be delivered hereunder or in connection herewith.

(b) The Borrower and the Collateral Administrator shall pay on demand any and all present or future stamp, sales, recording, documentary, excise, property and other similar taxes and fees payable or determined to be payable to any Governmental Authority in connection with the execution, delivery, filing, recording performance and enforcement of this Agreement,

the other documents to be delivered hereunder or any agreement or other document providing liquidity support, credit enhancement or other similar support to the Lenders in connection with this Agreement or the funding or maintenance of Advances hereunder.

(c) The Borrower shall pay on the Payment Date following receipt of a request therefor, all other reasonable costs, expenses and Taxes (excluding income taxes) that have been invoiced at least two (2) Business Days prior to such Payment Date and incurred by the Administrative Agent and the Secured Parties, in each case in connection with periodic audits of the Borrower's or the Collateral Administrator's books and records.

Section 12.10. No Proceedings. Each of the parties hereto (other than the Administrative Agent) hereby agrees that it will not institute against, or join any other Person in instituting against, the Borrower any Insolvency Proceeding so long as there shall not have elapsed one year and one day (or such longer preference period as shall then be in effect) since the end of the Covenant Compliance Period.

Section 12.11. Recourse Against Certain Parties.

(a) No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any incorporator, affiliate, stockholder, officer, partner, employee or director of the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator, and that no personal liability whatsoever shall attach to or be incurred by the Administrative Agent, any Secured Party, the Borrower, the Collateral Administrator or any incorporator, stockholder, affiliate, officer, partner, employee or director of the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator under or by reason of any of the obligations, covenants or agreements of the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator contained in this Agreement or in any other such instruments, documents or agreements, or that are implied therefrom, and that any and all personal liability of the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator and each incorporator, stockholder, affiliate, officer, partner, employee or director of the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator, or any of them, for breaches by the Administrative Agent, any Secured Party, the Borrower or the Collateral Administrator of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; *provided* that the foregoing non-recourse provisions shall in no way affect any rights the Secured Parties might have against any incorporator, affiliate, stockholder, officer, employee or director of the

Borrower or the Collateral Administrator to the extent of any fraud, misappropriation, embezzlement or any other financial crime constituting a felony by such Person.

(b) Notwithstanding any contrary provision set forth herein, no claim may be made by the Borrower or the Collateral Administrator or any other Person against the Administrative Agent and the Secured Parties or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect to any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and each of the Borrower and the Collateral Administrator hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected.

(c) No obligation or liability to any Obligor under any of the Loans is intended to be assumed by the Administrative Agent and the Secured Parties under or as a result of this Agreement and the transactions contemplated hereby.

(d) The provisions of this Section 12.11 shall survive the termination of this Agreement.

Section 12.12. Protection of Right, Title and Interest in the Collateral; Further Action Evidencing Advances.

(a) The Collateral Administrator shall take such actions as are necessary or reasonably requested by the Administrative Agent to enable the Administrative Agent to promptly record, register or file, as applicable, this Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Administrative Agent, as agent for the Secured Parties, and of the Secured Parties to the Collateral, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Administrative Agent, as agent the Secured Parties, hereunder to all property comprising the Collateral. The Borrower shall cooperate fully with the Collateral Administrator in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 12.12(a).

(b) The Borrower agrees that from time to time, at its expense, it will promptly authorize, execute and deliver all instruments and documents, and take all actions, that the Administrative Agent may reasonably request in order to perfect, protect or more fully evidence the security interest granted in the Collateral, or to enable the Administrative Agent or the Secured Parties to exercise and enforce their rights and remedies hereunder or under any other Transaction Document.

(c) If the Borrower or the Collateral Administrator fails to perform any of its obligations hereunder, the Administrative Agent or any Secured Party may (but shall not be required to) perform, or cause performance of, such obligation; and the Administrative Agent's or such Secured Party's costs and expenses incurred in connection therewith shall be payable by the Borrower as provided in ARTICLE X. The Borrower irrevocably authorizes the

Administrative Agent and appoints the Administrative Agent as its attorney-in-fact to act on behalf of the Borrower (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Collateral, including those that describe the Collateral as "all assets," or words of similar effect, and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Secured Parties in the Collateral. This appointment is coupled with an interest and is irrevocable.

(d) Without limiting the generality of the foregoing, the Borrower will, not earlier than six (6) months and not later than three (3) months prior to the fifth anniversary of the date of filing of the financing statement referred to in Section 3.1(j) or any other financing statement filed pursuant to this Agreement or in connection with any Advance hereunder, unless the Covenant Compliance Period shall have ended, authorize, execute and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement.

Section 12.13. Confidentiality.

(a) Each of the Administrative Agent, the Secured Parties, the Collateral Administrator, the Collateral Custodian and the Borrower shall maintain and shall cause each of its employees and officers to maintain the confidentiality of the Agreement and all information with respect to the other parties, including all information regarding the business and beneficial ownership of the Borrower and the Collateral Administrator hereto and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants, investigators, auditors, attorneys, investors or other agents, including any Approved Valuation Firm, engaged by such party in connection with any due diligence or comparable activities with respect to the transactions and Loans contemplated herein and the agents of such Persons ("Excepted Persons"); *provided* that each Excepted Person shall, as a condition to any such disclosure, agree for the benefit of the Administrative Agent, the Secured Parties, the Collateral Administrator, the Collateral Custodian and the Borrower that such information shall be used solely in connection with such Excepted Person's evaluation of, or relationship with, the Borrower and its affiliates, (ii) disclose the existence of the Agreement, but not the financial terms thereof, (iii) disclose such information as is required by Applicable Law and (iv) disclose the Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) involving any of the Transaction Documents for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents. It is understood that the financial terms that may not be disclosed except in compliance with this Section 12.13(a) include, without limitation, all fees and other pricing terms, and all Events of Default, Collateral Administrator Termination Events, and priority of payment provisions.

(b) Anything herein to the contrary notwithstanding, each of the Borrower and the Collateral Administrator hereby consents to the disclosure of any nonpublic information with

respect to it (i) to the Administrative Agent, the Collateral Custodian or the Secured Parties by each other, (ii) by the Administrative Agent, the Collateral Custodian and the Secured Parties to any prospective or actual assignee or participant of any of them provided such Person agrees to hold such information confidential in accordance with the terms hereof, or (iii) by the Administrative Agent, and the Secured Parties to any Rating Agency, any commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to any Lender, and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information. In addition, the Secured Parties, the Administrative Agent, may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known; (ii) disclosure of any and all information (a) if required to do so by any applicable statute, law, rule or regulation, (b) to any government agency or

regulatory body having or claiming authority to regulate or oversee any respects of the Administrative Agents', the Secured Parties', the Collateral Custodian's or the Borrower's business or that of their affiliates, (c) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Administrative Agent, the Secured Parties, the Collateral Custodian, the Borrower or an officer, director, employer, shareholder or affiliate of any of the foregoing is a party, (d) in any preliminary or final offering circular, registration statement or contract or other document approved in advance by the Borrower or the Collateral Administrator or (e) to any affiliate, independent or internal auditor, agent (including any potential sub-or-successor servicer), employee or attorney of the Collateral Custodian having a need to know the same, provided that the Collateral Custodian advises such recipient of the confidential nature of the information being disclosed and such person agrees to the terms hereof for the benefit of the Borrower and the Collateral Administrator; or (iii) any other disclosure authorized by the Borrower or the Collateral Administrator, as applicable.

(d) Notwithstanding any other provision of this Agreement, the Borrower and the Collateral Administrator shall each have the right to keep confidential from the Administrative Agent, the Collateral Custodian and/or the Secured Parties, for such period of time as the Borrower and/or the Collateral Administrator, as the case may be, determines is reasonable (i) any information that the Borrower and/or the Collateral Administrator, as the case may be, reasonably believes to be in the nature of trade secrets and (ii) any other information that the Borrower, the Collateral Administrator or any of their Affiliates, or the officers, employees or directors of any of the foregoing, is required by law as evidenced by an Opinion of Counsel.

(e) Each of the Administrative Agent, the Secured Parties and the Collateral Custodian will keep the information of the Obligors confidential in the manner required by the applicable Underlying Instruments.

Section 12.14. Execution in Counterparts; Severability; Integration.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement, the other Transaction Documents and any agreements or letters (including fee letters) executed in connection herewith contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings.

Section 12.15. Waiver of Setoff.

Each of the parties hereto hereby waives any right of setoff it may have or to which it may be entitled under this Agreement from time to time against any Lender or its assets.

Section 12.16. Status of Lenders; Assignments by the Lenders.

(a) Each Lender represents and warrants to the Borrower that it is a "qualified institutional buyer" as defined in Rule 144A of the Securities Act. Each Lender may at any time assign, or grant a security interest or sell a participation interest in or sell any Advance (or portion thereof) or any VFN (or any portion thereof) to any Person; *provided* that, as applicable, (i) no transfer of any Advance (or any portion thereof) or of any VFN (or any portion thereof) shall be made unless such transfer is exempt from the registration requirements of the Securities Act and any applicable state securities laws or is made in accordance with the Securities Act and such laws, (ii) the transfer is made only to a person who is (A) either an "accredited investor" as defined in paragraphs (a)(1), (2), (3), or (7) of Rule 501 of Regulation D under the Securities Act or any entity in which all of the equity owners come within such paragraphs or to a "qualified institutional buyer" as defined in Rule 144A under the Securities Act and (B) a "qualified purchaser" as defined in the 1940 Act, (iii) no such assignment, grant or sale of a participation interest shall be to an Ineligible Assignee, (iv) such Person shall have a long-term unsecured debt rating of "A" or better by S&P and "A3" or better by Moody's, (v) WFBNA shall (A) not assign more than 49% of the Facility Amount and (B) retain all Eligible Asset approval rights pursuant to clause (B) of the definition of "Eligible Loan" and (vi) in the case of an assignment of any Advance (or any portion thereof) or of any VFN (or of any portion thereof) the assignee executes and delivers to the Collateral Administrator, the Borrower and the Administrative Agent a fully executed Joinder Supplement substantially in the form of Exhibit I hereto and a transferee letter substantially in the form ofExhibit G hereto (a "Transferee Letter"). The parties to any such assignment, grant or sale of a participation interest shall execute and deliver to the such Lender for its acceptance and recording in its books and records, such agreement or document as may be satisfactory to such parties. The Borrower shall not assign or delegate, or grant any interest in, or permit any Lien to exist upon, any of the Borrower's rights, obligations or duties under the Transaction Documents without the prior written consent of the Administrative Agent. Notwithstanding anything contained in this Agreement to the contrary, WFBNA shall not need

prior consent of the Borrower to consolidate with or merge into any other Person or convey or transfer substantially all of its properties and assets, including without limitation any Advance (or portion thereof) or any VFN (or any portion thereof), to any Person.

(b) The Administrative Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its lending offices, a copy of each transfer pursuant to Section 12.16(a) delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Transfer by a Lender of its rights hereunder or under any VFN may be effected only by the recording by the Administrative Agent of the identity of the transferee in the Register. The entries in the Register shall be conclusive, and Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(c) No party to this Agreement shall allow any interest in this Agreement, any Variable Funding Note or any participating interest therein to become (i) traded on an established securities market (as defined in Treasury Regulations Section 1.7704-1(b)) or (ii) readily tradable on a secondary market or the substantial equivalent thereof (as defined in Treasury Regulations Section 1.7704-1(c)), and no Person shall transfer, assign or participate any interest in this Agreement, any Variable Funding Note or any participating interest therein in any such established securities market or any such secondary market or the substantial equivalent thereof.

(d) The Collateral Custodian may, at any time, assign all or any part of its rights and obligations hereunder; provided, however, that any such assignee shall (i) be a bank or other financial institution organized and doing business under the laws of the United States or of any state thereof, (ii) be authorized under such laws to exercise corporate trust powers, (iii) have a combined capital and surplus of at least $200,000,000, (iv) be subject to supervision or examination by a federal or state banking authority, (v) have a rating of at least "Baa1" by Moody's and "BBB+" by S&P and (vi) have an office within the United States.

Section 12.17. Heading and Exhibits.

The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 12.18. Non-Confidentiality of Tax Treatment.

All parties hereto agree that each of them and each of their employees, representatives, and other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including, without limitation, opinions or other tax analyses) that are provided to any of them relating to such tax treatment and tax structure. "Tax treatment" and "tax structure" shall have the same meaning as

such terms have for purposes of Treasury Regulation Section 1.6011-4;*provided* that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, the provisions of this Section 12.18 shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the transactions contemplated hereby.

Section 12.19. Effect of Amendment and Restatement.

On the Amendment and Restatement Effective Date, the Existing Loan and Security Agreements shall be amended, restated and superseded in their respective entireties by this Agreement. The parties hereto acknowledge and agree that (a) this Agreement and other Transaction Documents, whether executed and delivered in connection herewith or otherwise, do not constitute a payment, reborrowing, or termination of the Obligations under the Existing Loan and Security Agreements as in effect prior to the Amendment and Restatement Effective Date and (b) such Obligations are in all respects continuing (as amended and restated hereby) with only the terms thereof being modified as provided in this Agreement. The Borrower hereby reaffirms its duties and obligations under each Transaction Document to which it is a party (such reaffirmation is solely for the convenience of the parties hereto and is not required by the terms of either Existing Loan and Security Agreement). Each reference to a Loan and Security Agreement in any Transaction Document shall be deemed to be a reference to such Loan and Security Agreement as amended and restated hereby.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BORROWER:

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., as the Borrower and as the Collateral Administrator

By: _____
Name: Adam Weinstein
Title: Chief Financial Officer and Treasurer

[Signatures Continued on the Following Page]

THE ADMINISTRATIVE AGENT

WELLS FARGO SECURITIES, LLC, as the Administrative Agent

By: _____
Name:
Title:

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: _____
Name:
Title:

[Signatures Continued on the Following Page]

THE COLLATERAL CUSTODIAN:

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity but solely as Collateral Custodian

By: _____
Name:
Title:

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.
787 Seventh Avenue, 49th Floor
New York, NY 10019
Attention: Rob Hamwee, John Kline and Laura Holson
Fax: (212) 720-0351

Annex A (Continued)

WELLS FARGO SECURITIES, LLC
One Wachovia Center, NC0600
Charlotte, NC 28288
Attention: Mary Katherine DuBose
Facsimile: (704) 715-0067
Confirmation: (704) 383-0906
All electronic dissemination of Notices should be sent to scp.mmloans@wachovia.com

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender
One Wachovia Center, NC0600
Charlotte, NC 28288
Attention: Mary Katherine DuBose
Facsimile: (704) 715-0067
Confirmation: (704) 383-0906
All electronic dissemination of Notices should be sent to scp.mmloans@wachovia.com

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Collateral Custodian
For notices

Wells Fargo Bank, N.A.
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services—New Mountain Capital
Fax: (410) 715-3748
Phone(410) 884-2000

For delivering physical securities:

Wells Fargo Bank, N.A.
1055 10th Avenue S.E.
Minneapolis, MN 55414
Attention: ABS Custody Vault
Tel: (612) 667-8058
Fax: (612) 667-1080

Annex B

Lender	Commitment
Wells Fargo Bank, National Association	$ 160,000,000

Exhibit B
To Letter Agreement

EXHIBIT B

[Form of Safekeeping Agreement]

SAFEKEEPING AGREEMENT

Dated as of , 2011

among

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.,

WELLS FARGO SECURITIES, LLC,
as Administrative Agent,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Safekeeping Agent,

SAFEKEEPING AGREEMENT

THIS SAFEKEEPING AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of , 2011, by and among (a) NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., a Delaware limited liability company ("New Mountain"), (b) WELLS FARGO SECURTIES, LLC, as Administrative Agent (in such capacity and together with any successor thereto, the "Administrative Agent") under the Amended and Restated Loan and Security Agreement, dated as of , 2011, by and among, New Mountain, as the Borrower, each of the Lenders from time to time party thereto (the "Lenders"), the Administrative Agent, and the Safekeeping Agent (as defined below) (as the same may be amended, extended, restated, supplemented, modified, refinanced, refunded or replaced from time to time, the "Loan Agreement"), and (c) WELLS FARGO BANK, NATIONAL ASSOCIATION, as safekeeping agent (in such capacity and together with any successor thereto, the "Safekeeping Agent", and collectively with New Mountain and the Administrative Agent, the "Parties").

RECITALS

WHEREAS, New Mountain is a closed-end management investment company, which has elected to do business as a business development company under the 1940 Act (as defined below), and is authorized to issues shares of common stock;

WHEREAS, New Mountain has acquired assets and desires to deliver such assets, the proceeds thereof, and certain documents in connection therewith (collectively, the "Assets") to the Safekeeping Agent;

WHEREAS, New Mountain and the Administrative Agent (prior to the Payoff Date, as defined below) desire to appoint the Safekeeping Agent to hold the Assets and to direct the Safekeeping Agent with respect to the transfer and release thereof pursuant to the terms of this Agreement and, prior to the Payoff Date, the Loan Agreement;

WHEREAS, New Mountain has granted to the Administrative Agent a security interest in all the Assets of New Mountain pursuant to the terms of the Loan Agreement to secure all Obligations of New Mountain (as defined in the Loan Agreement).

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

SECTION 1.1 Construction. Unless otherwise specified, references in this Agreement to any Article or Section are references to such Article or Section of this Agreement and, unless otherwise specified, references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition.

SECTION 1.2 Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Loan Agreement. In addition to such terms defined herein, the following words shall have the meanings set forth below:

"1940 Act": The Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"Account": The meaning given in Section 2.2 of this Agreement.

"Applicable Law": For any Person or property of such Person, all existing and future laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances and orders by any Governmental Authority which are applicable to such Person or property (including, without limitation, predatory lending laws, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System), and applicable judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

"Assets": The meaning given in the Recitals.

"Business Day": Any day (other than a Saturday or a Sunday) on which banks are not required or authorized to be closed in New York, New York, the location of the Safekeeping Agent's Corporate Trust Office.

"Cash": Cash or legal currency of the United States of America as at the time shall be legal tender for payment of all public and private debts.

"Contractual Obligation": With respect to any Person, any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or to which either is subject.

"Corporate Trust Office": The designated corporate trust office of the Safekeeping Agent, currently located at 9062 Old Annapolis Road, Columbia, Maryland, or such other address within the United States as the Safekeeping Agent may designate from time to time by notice to New Mountain, and prior to the Payoff Date, the Administrative Agent.

"Federal Reserve Bank Book-Entry System": A depository and securities transfer system operated by the Federal Reserve Bank of the United States.

"Governmental Authority": With respect to any Person, any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

"Lender": Wells Fargo Bank, National Association and each financial institution which may from time to time become a Lender under the Loan Agreement by executing and delivering a Joinder Supplement to the Administrative Agent and the Borrower as contemplated by the Loan Agreement.

"Lien": Any mortgage, lien, pledge, charge, right, claim, security interest or encumbrance of any kind of or on any Person's assets or properties in favor of any other Person.

"Loan": Any commercial loan or note owned by New Mountain.

"Loan Agreement": The meaning given in the Preamble to this Agreement.

"Material Adverse Effect": With respect to any event or circumstance, a material adverse effect on (a) the business, financial condition, operations, performance or properties of New Mountain, (b) the validity, enforceability or collectability of the Loan Agreement or any other Transaction Document or the validity, enforceability of collectability of the Loans generally or any material portion of the Loans, (c) the rights and remedies of the Administrative Agent, the Lenders and the Secured Parties with respect to matters arising under this Agreement or any other Transaction Document, (d) the ability of New Mountain (or, to the extent New Mountain is no longer the Collateral Administrator, the Collateral Administrator) to perform its obligations under any Transaction Document to which it is a party, or (e) the status, existence, perfection, priority or enforceability of the Administrative Agent's or the other Secured Parties', lien on the Collateral.

"Noteless Loan": A Loan with respect to which the Underlying Instruments do not require the Obligor to execute and deliver, and the Obligor has not executed and delivered, a promissory note evidencing any indebtedness created under such Loan.

"Obligor": With respect to any Loan, any Person or Persons obligated to make payments pursuant to or with respect to such Loan, including any guarantor thereof.

"Opinion of Counsel": A written opinion of counsel, which opinion and counsel are, if delivered prior to the Payoff Date, acceptable to the Administrative Agent in its sole discretion.

"Participation": An interest in a Loan that is acquired indirectly by way of a participation from a selling institution.

"Payoff Date": The date in which the Administrative Agent delivers the Payoff Notice pursuant to Section 7.1 hereof.

"Payoff Notice": The Form of Payoff Notice attached hereto as Exhibit B.

"Person": An individual, partnership, corporation, limited liability company, joint stock company, trust (including a statutory or business trust), unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

"Physical Asset" shall mean any Asset that is represented by a certificate, bond or other physical form of instrument, which certificate, bond or other physical form of instrument evidences solely such Asset. For the avoidance of doubt, an Asset that is represented by a global or other certificate, bond or other physical form of instrument held by or on behalf of the Depository Trust Company ("DTC") or its nominee or another clearing corporation or its nominee shall not constitute a Physical Asset.

"Physical Document": The meaning as established under Section 3.4(2) of this Agreement.

"Proceeds": With respect to any Asset, all property that is receivable or received when such Asset is collected, sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating to such Asset.

"Proper Instructions": The meaning given in Section 2.4 of this Agreement.

"Required Loan Documents":

For each Loan, the following documents or instruments:

(a) for each Loan other than a Noteless Loan, (1) a copy of the related executed promissory note or, in the case of a lost note, a copy of the executed underlying promissory note accompanied by an original executed affidavit and indemnity endorsed by New Mountain in blank (and an unbroken chain of endorsements from each prior holder of such promissory note to New Mountain), or (2) if such promissory note is not issued in the name of New Mountain, an executed copy of each assignment and assumption agreement, transfer document or instrument relating to such Loan evidencing the assignment of such Loan from any prior owner thereof directly to New Mountain and from New Mountain in blank; and

(b) to the extent applicable for the related Loan, copies of the executed (a) guaranty, (b) credit agreement, (c) loan agreement, (d) note purchase agreement, (e) sale and servicing agreement, (f) acquisition agreement (or similar agreement) and (g) security agreement; provided that to the extent that final copies of the foregoing documents are not available as of the related Funding Date, the latest available draft copies with the final copies to be delivered within ten (10) Business Days after such Funding Date.

"Securities": Collectively, the (i) investments, including Loans, acquired by New Mountain and delivered to the Safekeeping Agent by New Mountain from time to time during the term of, and pursuant to the terms of, this Agreement and (ii) all dividends in kind (e.g., non-cash dividends) from the investments described in clause (i).

"Street Delivery Custom": A custom of the United States securities market to deliver securities which are being sold to the buying broker for examination to determine that the securities are in proper form.

"Street Name": The form of registration in which the securities are held by a broker who is delivering the securities to another broker for the purposes of sale, it being an

accepted custom in the United States securities industry that a security in Street Name is in proper form for delivery to a buyer and that a security may be re-registered by a buyer in the ordinary course.

"Underlying Instrument": (i) Prior to the Payoff Date, as defined in the Loan Agreement, and (ii) on and after the Payoff Date, any loan agreement, credit agreement, indenture or other agreement pursuant to which an Asset has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Asset or of which the holders of such Asset are the beneficiaries.

"United States": The United States of America.

SECTION 1.3 Rule of Construction. In the event that New Mountain is no longer the Collateral Administrator under the Loan Agreement, each report required to be delivered by the Safekeeping Agent hereunder to the Borrower shall also be delivered to the Collateral Administrator and the Collateral Administrator will be deemed to be granted authority hereunder with respect to the Assets and the Accounts consistent with its duties under the Loan Agreement.

ARTICLE II

APPOINTMENT OF THE SAFEKEEPING AGENT; COLLATERAL ACCOUNT, INTEREST COLLECTION ACCOUNT AND PRINCIPAL COLLECTION ACCOUNT

SECTION 2.1 Each of New Mountain and the Administrative Agent (prior to the Payoff Date) hereby designate and appoint the Safekeeping Agent to act as its agent and hereby authorizes the Safekeeping Agent to take such actions on its behalf and to exercise such powers and perform such duties as are expressly granted to the Safekeeping Agent by this Agreement or, prior to the Payoff Date, the Loan Agreement. The Safekeeping Agent hereby accepts such agency appointment to hold the Assets pursuant to the terms of this Agreement and, prior to the Payoff Date, the Loan Agreement, until its resignation or removal pursuant to the terms hereof.

SECTION 2.2 Prior to the Payoff Date, the Safekeeping Agent agrees that it has established and is maintaining on its books and records, in the name of New Mountain, (i) the securities account designated as the "Collateral Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "Collateral Account"), (ii) the securities account designated as the "Principal Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the **"**Principal Collections Account"), (iii) the securities account designated as the "Interest Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "Interest Collections Account"), (iii) the securities account designated as the "Excess Future Funding Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "Excess Future Funding Account") and (iv) the securities account designated as the "Borrower Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "Borrower Collections Account" and,

together with the Collateral Account, the Principal Collections Accounts, and the Interest Collections Account, the "Accounts"). All Assets held in the Accounts will be individually segregated from the securities and investments of any other Person and marked so as to clearly identify them as the property of New Mountain as set forth under this Agreement.

SECTION 2.3 Prior to the Payoff Date, the Safekeeping Agent will, by book-entry notation, promptly credit to the applicable Account all property to be credited thereto pursuant to the Loan Agreement. Prior to the Payoff Date, subject to the Securities Account Control Agreement, Assets thereof shall be withdrawn from the Accounts only upon Proper Instructions pursuant to Section 2.4 hereof. On and after the Payoff Date, THE SAFEKEEPING AGENT will, by book-entry notation, promptly credit to the applicable Account all property to be credited thereto pursuant to the terms hereof or pursuant to Proper Instructions.

SECTION 2.4 Proper Instructions.

The Safekeeping Agent shall hold the Assets in safekeeping and, subject to the terms hereof, and prior to the Payoff Date, the Securities Account Control Agreement, and shall release and transfer Assets only in accordance with Proper Instructions. "Proper Instructions" shall mean signed written instructions or cabled, telexed, facsimile or electronically transmitted instructions in respect of any of the matters referred to in this Agreement purported to be signed (except in the case of electronically transmitted instructions) by two or more persons duly authorized to sign on behalf of New Mountain and, in the case of electronically transmitted instructions, in accordance with such authentication procedures as may be agreed by the Safekeeping Agent and New Mountain from time to time.

ARTICLE III

SAFEKEEPING OF ASSETS

SECTION 3.1 Segregation. All Assets and non-cash property held by the Safekeeping Agent, as applicable, for the account of New Mountain shall be physically segregated from other Assets and non-cash property in the possession of the Safekeeping Agent (including the Assets and non-cash property of the other series of New Mountain, if applicable) and marked so as to clearly identify them as property of New Mountain.

SECTION 3.2 Delivery of Assets. Prior to the Payoff Date, New Mountain shall deliver each item of Collateral to the Safekeeping Agent in accordance with the Loan Agreement. On and after the Payoff Date, New Mountain shall deliver, or cause to be delivered, to the Safekeeping Agent all of New Mountain's securities, cash and other investment assets, including:

(a) all payments of income, payments of principal and capital distributions received by New Mountain with respect to such Securities, cash or other assets owned by New Mountain at any time during the period of this Agreement, and (b) all cash received by New Mountain for the issuance, at any time during such period, of Shares or other securities or in connection with a borrowing by New Mountain. With respect to Loans, Required Loan Documents and other underlying loan documents shall be delivered to the Safekeeping Agent at the address identified for the Safekeeping Agent. With respect to Assets other than Loans, such

Assets shall be delivered to the Safekeeping Agent (where relevant) at the address identified for the Safekeeping Agent. Except to the extent otherwise expressly provided herein, delivery of Securities to the Safekeeping Agent shall be in Street Name or other good delivery form. The Safekeeping Agent shall not be responsible for such Securities, cash or other assets until actually delivered to, and received by it.

(b) (i) In connection with its acquisition of a Loan or other delivery of a security constituting a Loan, New Mountain shall deliver or cause to be delivered the Required Loan Documents to the Safekeeping Agent at the address identified for the Safekeeping Agent. The Safekeeping Agent shall not be responsible for such Required Loan Documents until actually delivered to, and received by it.

(ii) Notwithstanding anything herein to the contrary, delivery of securities acquired by New Mountain which constitute Noteless Loans or Participations or which are otherwise not evidenced by a "security" or "instrument" as defined in Section 8-102 and Section 9-102(a)(47) of the UCC, respectively, shall be made by delivery to the Safekeeping Agent of (i) in the case of a Noteless Loan, a copy of the loan register with respect to such Noteless Loan evidencing registration of such Loan on the books and records of the applicable obligor or bank agent to the name of New Mountain (or its nominee) and or a copy (which may be a facsimile copy) of an assignment agreement in favor of New Mountain as assignee, and (ii) in the case of a Participation, a copy of the related participation agreement.

(iii) Contemporaneously with the acquisition of any Loan, New Mountain shall (i) cause the Required Loan Documents evidencing such Loan to be delivered to the Safekeeping Agent; (ii) take all actions necessary for New Mountain to acquire good title to such Loan; and (iii) take all actions as may be necessary (including appropriate payment notices and instructions to bank agents or other applicable paying agents) to cause (A) all payments in respect of the Loan to be made to the Safekeeping Agent and (B) all notices, solicitations and other communications in respect of such Loan to be directed to New Mountain.

(c) In connection with each delivery of Physical Documents hereunder to the Safekeeping Agent, New Mountain shall provide to the Safekeeping Agent an electronic file (in EXCEL or a comparable format acceptable to the Safekeeping Agent) that contains a list of all Physical Documents and whether they require original signatures. If, at the conclusion of the review per Section 3.3, the Safekeeping Agent shall determine that any Physical Document has not been delivered, the Safekeeping Agent shall notify New Mountain. The Safekeeping Agent shall not have any responsibility for reviewing the genuineness of any Underlying Instruments delivered to it by New Mountain.

SECTION 3.3 Obligations with respect to Assets and Required Loan Documents Prior to the Payoff Date. (a) Prior to the Payoff Date, the Safekeeping Agent shall perform the following duties with respect to any Underlying Instruments and Required Loan Documents:

(i) The Safekeeping Agent shall take and retain the Required Loan Documents delivered by New Mountain pursuant to the definition of "Eligible Loans" in the Loan Agreement in accordance with the terms and conditions of this Agreement and the Loan

Agreement, all for the benefit of the Secured Parties and subject to the Lien thereon in favor of the Administrative Agent, as agent for the Secured Parties. Within five (5) Business Days of its receipt of any Underlying Instruments, the Safekeeping Agent shall review the Required Loan Documents delivered to it to confirm that (A) if the files delivered per the following sentence indicate that any document must contain an original signature, each such document appears to bear the original signature, or if the file indicates that such document must contain a copy of a signature, that such copies appear to bear a reproduction of such signature and (B) based on a review of the applicable note, the related original Loan balance, Loan identification number and Obligor name with respect to such Loan is referenced on the related Loan List and is not a duplicate Loan (such items (A) through (B) collectively, the "Review Criteria"). In order to facilitate the foregoing review by the Safekeeping Agent, in connection with each delivery of Underlying Instruments hereunder to the Safekeeping Agent, New Mountain shall provide to the Safekeeping Agent an electronic file (in EXCEL or a comparable format acceptable to the Safekeeping Agent) that contains a list of all Required Loan Documents and whether they require original signatures, the Loan identification number and the name of the Obligor and the original Loan balance with respect to each related Loan. If, at the conclusion of such review, the Safekeeping Agent shall determine that (1) the original Loan balances of the Loans with respect to which it has received Underlying Instruments is less than as set forth on the electronic file, the Safekeeping Agent shall immediately notify the Administrative Agent and New Mountain of such discrepancy, and (2) any Review Criteria is not satisfied, the Safekeeping Agent shall within one (1) Business Day notify New Mountain of such determination and provide New Mountain with a list of the non-complying Loans and the applicable Review Criteria that they fail to satisfy. New Mountain shall have ten (10) Business Days to correct any non-compliance with any Review Criteria. If after the conclusion of such time period New Mountain has still not cured any non-compliance by a Loan with any Review Criteria, the Safekeeping Agent shall promptly notify New Mountain and the Administrative Agent of such determination by providing a written report to such persons identifying, with particularity, each Loan and each of the applicable Review Criteria that such Loan fails to satisfy. In addition, if requested in writing in the form of Exhibit A by New Mountain and approved by the Administrative Agent within ten (10) Business Days of the Safekeeping Agent's delivery of such report, the Safekeeping Agent shall return the Underlying Instruments for any Loan which fails to satisfy a Review Criteria to New Mountain. Other than the foregoing, the Safekeeping Agent shall not have any responsibility for reviewing any Underlying Instruments.

(ii) In taking and retaining the Underlying Instruments, the Safekeeping Agent shall be deemed to be acting as the agent of the Secured Parties; *provided* that the Safekeeping Agent makes no representations as to the existence, perfection or priority of any Lien on the Underlying Instruments or the instruments therein; and *provided further* that the Safekeeping Agent's duties as agent shall be limited to those expressly contemplated herein.

(iii) All Underlying Instruments that are originals or copies shall be kept in fire resistant vaults, rooms or cabinets at the Corporate Trust Office. All Underlying Instruments that are originals or copies shall be placed together with an appropriate identifying label and maintained in such a manner so as to permit retrieval and access. All Underlying Instruments that are originals or copies shall be clearly segregated from any other documents or instruments maintained by the Safekeeping Agent. All Underlying Instruments that are delivered to the Safekeeping Agent in electronic format shall be saved onto disks and/or onto the Safekeeping

Agent's secure computer system, and maintained in a manner so as to permit retrieval and access.

(iv) The Safekeeping Agent shall make payments in accordance with Section 2.7 and Section 2.8 of the Loan Agreement (the "Payment Duties"). In addition, on each Reporting Date, the Safekeeping Agent shall provide a written report to the Administrative Agent and New Mountain (in a form acceptable to the Administrative Agent) identifying each Loan for which it holds Underlying Instruments, the non-complying Loans and the applicable Review Criteria that any non-complying Loan fails to satisfy.

(v) The Safekeeping Agent shall, promptly upon its actual receipt of a Borrowing Base Certificate from New Mountain, calculate the Borrowing Base and, if the Safekeeping Agent's calculation does not correspond with the calculation provided by New Mountain on such Borrowing Base Certificate, deliver such calculation to each of the Administrative Agent, and New Mountain within one (1) day of receipt by the Safekeeping Agent of such Borrowing Base Certificate. In performing its duties, (A) the Safekeeping Agent shall use a similar degree of care and attention as it employs with respect to similar collateral that it holds for others and (B) all calculations made by the Safekeeping Agent pursuant to this Agreement or the Loan Agreement using Super Senior Indebtedness, Advance Rate, EBITDA and Unrestricted Cash of any Obligor (or, with respect to Advance Rate, Loan) shall be made using such amounts as provided by New Mountain to the Safekeeping Agent.

SECTION 3.4 Obligations with respect to Assets and Required Loan Documents on and after the Payoff Date.

(a) On and after the Payoff Date, the Safekeeping Agent shall perform the following duties with respect to the Assets:

(1) With respect to each Asset that is not a Physical Asset, such Asset shall be credited by the Safekeeping Agent to the Collateral Account.

(2) With respect to any Physical Assets and Underlying Instruments (collectively, the "Physical Documents"):

(i) The Safekeeping Agent shall take and retain any Physical Assets and the Required Loan Documents delivered by New Mountain. Within five (5) Business Days of its receipt of any Underlying Instruments, the Safekeeping Agent shall review the Physical Documents delivered to it to confirm receipt of such document and, if the files delivered per the following sentence indicate that any document must contain an original signature, each such document appears to bear the original signature, or if the file indicates that such document must contain a copy of a signature, that such copies appear to bear a reproduction of such signature. In connection with each delivery of Physical Documents hereunder to the Safekeeping Agent, New Mountain shall provide to the Safekeeping Agent an electronic file (in EXCEL or a comparable format acceptable to the Safekeeping Agent) that contains a list of all Physical Documents and whether they require original signatures. If, at the conclusion of such review, the Safekeeping Agent shall determine that any Physical Document has not been delivered, the Safekeeping Agent shall notify New Mountain. The Safekeeping Agent shall not have any responsibility for

reviewing any Underlying Instruments. All Physical Documents that are originals or copies shall be kept in fire resistant vaults, rooms or cabinets at the Corporate Trust Office and shall be placed together with an appropriate identifying label and maintained in such a manner so as to permit retrieval and access. All Physical Documents that are originals or copies shall be clearly segregated from any other documents or instruments maintained by the Safekeeping Agent. All Underlying Instruments that are delivered to the Safekeeping Agent in electronic format shall be saved onto disks and/or onto the Safekeeping Agent's secure computer system, and maintained in a manner so as to permit retrieval and access.

SECTION 3.5 Release of Documents Prior to the Payoff Date.

(a) Release for Servicing. Prior to the Payoff Date, as appropriate for the enforcement or servicing of any of the Collateral, the Safekeeping Agent is hereby authorized (unless and until such authorization is revoked by the Administrative Agent), upon written receipt from New Mountain of a request for release of documents and receipt in the form annexed hereto as Exhibit A, to release to New Mountain within two (2) Business Days of receipt of such request, the related Underlying Instruments or the documents set forth in such request and receipt to New Mountain. All documents so released to New Mountain shall be held by New Mountain in trust for the benefit of the Administrative Agent in accordance with the terms of this Agreement and the Loan Agreement. New Mountain shall return to the Safekeeping Agent the Underlying Instruments or other such documents (i) promptly upon the request of the Administrative Agent, or (ii) when New Mountain's need therefor in connection with such enforcement or servicing no longer exists, unless the Loan shall be liquidated or sold, in which case, upon receipt of an additional request for release of documents and receipt certifying such liquidation or sale from New Mountain to the Safekeeping Agent in the form annexed hereto as Exhibit A, New Mountain's request and receipt submitted pursuant to the first sentence of this subsection shall be released by the Safekeeping Agent to New Mountain.

(b) Release for Payment. Prior to the Payoff Date, upon receipt by the Safekeeping Agent of New Mountain's request for release of documents and receipt in the form annexed hereto as Exhibit A (which certification shall include a statement to the effect that all amounts received in connection with such payment or repurchase have been credited to the Collection Account as provided in this Agreement), the Safekeeping Agent shall promptly release the related Underlying Instruments to New Mountain.

SECTION 3.6 Release of Documents and Assets on and after the Payoff Date. On and after the Payoff Date, upon receipt by the Safekeeping Agent of Proper Instructions, the Safekeeping Agent shall promptly release any Physical Documents or Assets held by the Safekeeping Agent in accordance with such Proper Instructions.

SECTION 3.7 Return of Underlying Instruments Prior to the Payoff Date.

Prior to the Payoff Date, New Mountain may, with the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld), require that the Safekeeping Agent return each Required Loan Document (as applicable), respectively (a) delivered to the Safekeeping Agent in error, (b) as to which the lien on the Underlying Asset has been so released pursuant to Section 8.2 of the Loan Agreement, or (c) that has been the subject

of a Discretionary Sale pursuant to Section 2.15 of the Loan Agreement, in each case by submitting to the Safekeeping Agent and the Administrative Agent a written request in the form of Exhibit A hereto (signed by both New Mountain and the Administrative Agent) specifying the Asset to be so returned and reciting that the conditions to such release have been met (and specifying the Section or Sections of this Agreement and the Loan Agreement being relied upon for such release). the Safekeeping Agent shall upon its receipt of each such request for return executed by New Mountain and the Administrative Agent promptly, but in any event within five (5) Business Days, return the Underlying Instruments so requested to New Mountain.

SECTION 3.8 Access to Certain Documentation and Information Regarding the Assets; Audits. (a) Prior to the Payoff Date, New Mountain and the Safekeeping Agent shall provide to the Administrative Agent access to the Underlying Instruments and all other documentation regarding the Assets including in such cases where the Administrative Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations, to review such documentation, such access being afforded without charge but only (i) upon two (2) Business Days' prior written request, (ii) during normal business hours and (iii) subject to New Mountain's and the Safekeeping Agent's normal security and confidentiality procedures. Periodically at the discretion of the Administrative Agent, the Administrative Agent may review New Mountain's collection and administration of the Collateral in order to assess compliance by New Mountain with Article VI of the Loan Agreement and may conduct an audit of the Collateral, and Underlying Instruments in conjunction with such a review. Such review shall be reasonable in scope and shall be completed in a reasonable period of time. Without limiting the foregoing provisions of this Section 3.8, from time to time (not to exceed one (1) time per fiscal quarter) on request of the Administrative Agent, the Safekeeping Agent shall permit certified public accountants or other independent auditors acceptable to the Administrative Agent to conduct, at New Mountain's expense, a review of the Underlying Instruments and all other documentation regarding the Collateral.

(b) On or after the Payoff Date, upon reasonable request by New Mountain, New Mountain, and employees and agents of the Securities and Exchange Commission shall have reasonable access to the Safekeeping Agent's books and records relating to the Accounts and Assets during the Safekeeping Agent's normal business hours and upon reasonable advance request, at New Mountain's expense. Any such access granted to the employees and agents of the Securities and Exchange Commission shall not require a subpoena, but shall only be granted after the Safekeeping Agent has given prior notice to, and obtained written consent from, New Mountain.

(c) Both prior to the Payoff Date and on and after the Payoff Date, on request of New Mountain, or an independent public accountant appointed by New Mountain, the Safekeeping Agent shall permit such independent public accountant to conduct, at New Mountain's expense, an examination to verify the Assets are held in safekeeping. Such examination shall occur at least three (3) times per fiscal year, at least two (2) of which are to be chosen by such independent public accountant without prior notice to New Mountain.

SECTION 3.9 Cash Invested as Eligible Investments. (a) Prior to the Payoff Date, all Cash in the Accounts at the end of a Business Day will be invested in Permitted

Investments selected by New Mountain on each Payment Date (or pursuant to standing instructions provided by New Mountain);*provided* that, from and after the occurrence of an Event of Default, to the extent there are uninvested amounts in the Accounts, all such amounts may be invested in Permitted Investments selected by the Administrative Agent (which may be pursuant to standing instructions provided by the Administrative Agent).

(b) On and after the Payoff Date, the Safekeeping Agent shall not invest immediately available funds held hereunder in the absence of Proper Instructions New Mountain and shall not be liable for not investing or reinvesting funds in accordance with this Agreement in the absence of such Proper Instructions. It is expressly agreed and understood that the Safekeeping Agent shall not in any way whatsoever be liable for losses on any investments, including, but not limited to, losses from market risks due to premature liquidation or resulting from other actions taken pursuant to Proper Instructions.

SECTION 3.10 Proxy Voting Services. (a) If requested by New Mountain, the Safekeeping Agent shall promptly forward New Mountain's decision on any proxy solicitation or request for vote or other consent or solicitation relating to any Security to the appropriate third party seeking a decision on such matters.

(b) The Safekeeping Agent shall endeavor to promptly notify New Mountain of such rights or discretionary actions or of the date or dates by when such

rights must be exercised or such action must be taken, provided that the Safekeeping Agent has received, from the issuer (with respect to securities issued in the United States) or from one of the nationally or internationally recognized bond or corporate action services to which the Safekeeping Agent subscribes, timely notice of such rights or discretionary corporate action or of the date or dates such rights must be exercised or such action must be taken.

SECTION 3.11 Communications Relating to Securities. (a) The Safekeeping Agent shall transmit promptly to New Mountain, and prior to the Payoff Date, the Administrative Agent, all written information (including pendency of calls and maturities of securities and expirations of rights in connection therewith) received by the Safekeeping Agent, from its agents or from issuers of the securities being held for New Mountain. The Safekeeping Agent shall have no obligation or duty to exercise any right or power, or otherwise to preserve rights, in or under any securities unless and except to the extent it has received timely Proper Instruction from New Mountain in accordance with the next sentence. The Safekeeping Agent will not be liable for any untimely exercise of any right or power in connection with securities at any time held by the Safekeeping Agent, unless: (i) the Safekeeping Agent has received Proper Instructions with regard to the exercise of any such right or power; and (ii) the Safekeeping Agent, or its agents are in actual possession of such securities, in each case, at least three (3) Business Days prior to the date on which such right or power is to be exercised. It will be the responsibility of New Mountain to notify the Safekeeping Agent of the Person to whom such communications must be forwarded under this Section 3.11.

SECTION 3.12 Collection of Income. The Safekeeping Agent or its agents shall use reasonable efforts to collect on a timely basis all income and other payments with respect to the Assets held hereunder to which New Mountain shall be entitled, to the extent

consistent with usual custom in the securities custodian business in the United States. Such efforts shall include collection of interest income, dividends and other payments with respect to registered domestic Securities if on the record date with respect to the date of payment by the issuer the Security is registered in the name of the Safekeeping Agent or its nominee (or in the name of its agent); and interest income, dividends and other payments with respect to bearer domestic securities if, on the date of payment by the issuer such Securities are held by the Safekeeping Agent or agent; provided, however, that in the case of securities held in Street Name, the Safekeeping Agent shall use commercially reasonable efforts only to timely collect income. In no event shall the Safekeeping Agent's agreement herein to collect income be construed to obligate the Safekeeping Agent to commence, undertake or prosecute any legal proceedings.

SECTION 3.13 Notations of Deposits, Withdrawals and Delivery. Any Person acting on behalf of New Mountain (other than, prior to the Payoff Date, the Administrative Agent) when depositing Assets in or withdrawing Assets from the safekeeping of the Safekeeping Agent, or when ordering the withdrawal and delivery of such Assets from the safekeeping of the Safekeeping Agent, shall sign a notation in respect of such deposit, withdrawal or order which shall show (1) the date and time of the deposit withdrawal or order, (2) the title and amount of the Assets deposited, withdrawn or ordered to be withdrawn, and an identification thereof by certificate numbers or otherwise, (3) the manner of acquisition of the Assets deposited or the purpose for which they have been withdrawn, or ordered to be withdrawn, and (4) if withdrawn and delivered to another person, the name of such person. Such notation shall be transmitted promptly to an officer or director of New Mountain designated by its board of directors who shall not be a person authorized to issue Proper Instructions. Such notations shall be on serially numbered forms and shall be preserved for at least one (1) year by New Mountain.

SECTION 3.14 Books and Records. The Safekeeping Agent shall create and maintain complete and accurate books and records relating to its activities under this Agreement with respect to the Assets or other property held for New Mountain under this Agreement. To the extent that the Safekeeping Agent, in its sole discretion, is able to do so, the Safekeeping Agent may provide assistance to New Mountain (at New Mountain's reasonable request made from time to time) by providing sub-certifications regarding certain of its services performed hereunder to New Mountain in connection with New Mountain's certification requirements pursuant to the Sarbanes-Oxley Act of 2002, as amended. All such books and records shall be the property of New Mountain. Upon reasonable request, copies of any such books and records shall be provided to New Mountain, or prior to the Payoff Date, the Administrative Agent, at its expense. The Safekeeping Agent shall, at New Mountain's request, supply New Mountain with a tabulation of securities owned by New Mountain and held by the Safekeeping Agent and shall, when requested to do so by New Mountain and for such compensation as shall be agreed upon between New Mountain and the Safekeeping Agent, include, to the extent applicable, the certificate numbers in such tabulations, to the extent such information is available to the Safekeeping Agent.

SECTION 3.15 Reporting. (a) If requested by New Mountain, the Safekeeping Agent shall render to New Mountain (and, prior to the Payoff Date, with a copy to the Administrative Agent) a monthly report of (i) all deposits to and withdrawals from the Accounts

during the month, and the outstanding balance (as of the last day of the preceding monthly report and as of the last day of the subject month) and (ii) an itemized statement of the Assets held pursuant to this Agreement as of the end of each month, as well as a list of all securities transactions that remain unsettled at that time, and (iii) such other matters as the parties may agree from time to time.

(b) For each Business Day, the Safekeeping Agent shall render to New Mountain (and, prior to the Payoff Date, with a copy to the Administrative Agent) a daily report of (i) all deposits to and withdrawals from the Accounts for such Business Day and the outstanding balance as of the end of such Business Day, and (ii) a report of settled trades of Securities for such Business Day.

(c) The Safekeeping Agent shall have no duty or obligation to undertake any market valuation of the Assets under any circumstance.

(d) The Safekeeping Agent shall provide New Mountain (and, prior to the Payoff Date, with a copy to the Administrative Agent) with such reports as are reasonably available to it and as New Mountain may reasonably request from time to time, on the internal accounting controls and procedures for safeguarding securities, which are employed by the Safekeeping Agent.

SECTION 3.16 Tax Matters. (a) New Mountain shall provide to the Safekeeping Agent such documentation and information as the Safekeeping Agent may require or reasonably request in connection with taxation, and each of them warrants that, when given, this information shall be true and correct in all material respects, not materially misleading in any way, and contain all material information. New Mountain undertakes to notify the Safekeeping Agent promptly if any such information requires updating or amendment.

(b) The Safekeeping Agent shall not be liable to New Mountain or any third party for any taxes, fines or penalties payable by the Safekeeping Agent or New Mountain, and shall be indemnified accordingly, whether these result from the inaccurate completion of documents by New Mountain or any third party, or as a result of the provision to the Safekeeping Agent or any third party of inaccurate or misleading information or the withholding of material information by New Mountain or any third party, or as a result of any delay of any revenue authority or any other matter beyond the Safekeeping Agent's control.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 5.1 Representations and Warranties of New Mountain.

New Mountain represents and warrants as follows:

(a) Organization and Good Standing. New Mountain has been duly organized, and is validly existing as a limited liability company in good standing, under the laws of the State of Delaware, with all requisite limited liability company power and authority to own or lease its properties and conduct its business as such business is presently conducted, and had

at all relevant times, and now has all necessary power, authority and legal right to acquire, own and sell the Assets.

(b) Due Qualification. New Mountain is (i) duly qualified to do business and is in good standing as a limited liability company in its jurisdiction of formation, and (ii) has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be so qualified or to have obtained such licenses or approvals could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization; Execution and Delivery. New Mountain (i) has all necessary limited liability company power, authority and legal right to (a) execute and deliver each Transaction Document to which it is a party, and (b) carry out the terms of the Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary limited liability company action, the execution, delivery and performance of each Transaction Document to which it is a party and the transfer and assignment of an ownership and security interest in the Collateral on the terms and conditions herein provided. This Agreement and each other Transaction Document to which New Mountain is a party have been duly executed and delivered by New Mountain.

(d) Binding Obligation. Each Transaction Document to which New Mountain is a party constitutes a legal, valid and binding obligation of New Mountain enforceable against New Mountain in accordance with its respective terms, except as such enforceability may be limited by Insolvency Laws and by general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by each Transaction Document to which it is a party and the fulfillment of the terms thereof will not (i) in any material respect conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, New Mountain's certificate of formation, the limited liability company agreement or any Contractual Obligation of New Mountain, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of New Mountain's properties pursuant to the terms of any such Contractual Obligation, other than the Loan Agreement, or (iii) violate any Applicable Law in any material respect.

SECTION 5.2 Representations and Warranties of the Safekeeping Agent.

THE SAFEKEEPING AGENT represents and warrants as follows:

(a) Organization; Power and Authority. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Agreement and the Loan Agreement.

(b) Due Authorization. The execution and delivery of this Agreement and the Loan Agreement and the consummation of the transactions provided for herein and therein have been duly authorized by all necessary association action on its part.

(c) No Conflict. The execution and delivery of this Agreement and the Loan Agreement, the performance of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with, result in any breach of its articles of incorporation or bylaws or any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Safekeeping Agent is a party or by which it or any of its property is bound.

(d) No Violation. The execution and delivery of this Agreement and the Loan Agreement, the performance of the Transactions contemplated hereby and thereby and the fulfillment of the terms hereof will not conflict with or violate, in any material respect, any Applicable Law as to the Safekeeping Agent.

(e) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or Governmental Authority applicable to the Safekeeping Agent, required in connection with the execution and delivery of this Agreement and the Loan Agreement, the performance by the Safekeeping Agent of the transactions contemplated hereby and thereby and the fulfillment by the Safekeeping Agent of the terms hereof and thereof have been obtained.

(f) Validity, Etc. Each of this Agreement and the Loan Agreement constitutes the legal, valid and binding obligation of the Safekeeping Agent, enforceable against the Safekeeping Agent in accordance with its terms, except as such enforceability may be limited by applicable Insolvency Laws and general principles of equity (whether considered in a suit at law or in equity).

(g) Business Continuity Policies. It maintains business continuity policies and standards that include data file back-up and recovery procedures that comply with all applicable regulatory requirements.

ARTICLE V

CONCERNING THE SAFEKEEPING AGENT

SECTION 5.1 Duty of Care. (a) The Safekeeping Agent may conclusively rely on and shall be fully protected in acting upon any certificate, instrument, opinion, notice, letter, telegram or other document delivered to it and that in good faith it reasonably believes to be genuine and that has been signed by the proper party or parties. Prior to the Payoff Date, the Safekeeping Agent may rely conclusively on and shall be fully protected in acting upon (a) the written instructions of any designated officer of the Administrative Agent or (b) the verbal instructions of the Administrative Agent. On and after the Payoff Date, the Safekeeping Agent may rely conclusively on and shall be fully protected in acting upon Proper Instructions.

(b) The Safekeeping Agent may consult counsel satisfactory to it and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(c) The Safekeeping Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it, in good faith, or for any mistakes

of fact or law, or for anything that it may do or refrain from doing in connection herewith except, notwithstanding anything to the contrary contained herein, in the case of its willful misconduct, bad faith or grossly negligent performance or omission of its duties and in the case of its grossly negligent performance of its duties in taking and retaining the Underlying Instruments and, prior to the Payoff Date, in the case of its grossly negligent performance of its Payment Duties.

(d) The Safekeeping Agent makes no warranty or representation and shall have no responsibility (except as expressly set forth in this Agreement and the Loan Agreement) as to the content, enforceability, completeness, validity, sufficiency, value, genuineness, ownership or transferability of the Assets, and will not be required to and will not make any representations as to the validity or value (except as expressly set forth in this Agreement and the Loan Agreement) of any of the Assets. The Safekeeping Agent shall not be obligated to take any legal action hereunder that might in its judgment involve any expense or liability unless it has been furnished with an indemnity reasonably satisfactory to it.

(e) The Safekeeping Agent shall have no duties or responsibilities except such duties and responsibilities as are specifically set forth in this Agreement and the Loan Agreement and no covenants or obligations shall be implied in this Agreement or the Loan Agreement against the Safekeeping Agent.

(f) The Safekeeping Agent shall not be required to expend or risk its own funds in the performance of its duties hereunder or under the Loan Agreement.

(g) It is expressly agreed and acknowledged that the Safekeeping Agent is not guaranteeing performance of or assuming any liability for the obligations of the other parties hereto or any parties to the Assets.

SECTION 5.2 Indemnification of the Safekeeping Agent; Costs and Expenses. (a) New Mountain hereby agrees to indemnify the Safekeeping Agent and hold the Safekeeping Agent, its agents and attorneys harmless from and against any and all costs, expenses, damages, liabilities and claims (including, without limitation, reasonable attorneys' fees and accountants' fees), sustained or incurred by or asserted against the Safekeeping Agent by reason of or as a result of any action or inaction, or arising out of the Safekeeping Agent's performance hereunder, including, without limitation, reasonable fees and expenses of counsel incurred by the Safekeeping Agent in a successful defense of claims by any one or more of the Safekeeping Agent; provided, that New Mountain shall not have any obligation hereunder to indemnify the Safekeeping Agent for those costs, expenses, damages, liabilities or claims to the extent they arise out of the Safekeeping Agent's bad faith, reckless disregard, willful misconduct or gross negligence. This indemnity shall be a continuing obligation of New Mountain and its respective successors and assigns, notwithstanding the termination of this Agreement or the resignation or replacement of the Safekeeping Agent.

(b) New Mountain agrees to pay to the Safekeeping Agent the fees set forth in the Fee Schedule, or as may be agreed upon from time to time by the Safekeeping Agent and New Mountain, and, prior to the Payoff Date, the Administrative Agent. The Safekeeping Agent's

entitlement to receive such fees shall cease upon its removal or resignation as Safekeeping Agent pursuant to Section 7.1 of this Agreement. New Mountain agrees to reimburse the Safekeeping Agent for all costs associated with the conversion of Collateral and the transfer of Assets and records kept in connection with this Agreement. New Mountain agrees to reimburse the Safekeeping Agent for all actual and reasonable out-of-pocket expenses (including, without limitation, reasonable attorney's fees and expenses) incurred in the administration of this Agreement or performance of its duties hereunder, including those which are a normal incident of the services provided hereunder.

(c) Prior to the Payoff Date, all fees, expenses, and indemnities payable pursuant to this Section 5.2 shall be payable pursuant to the priorities set forth in Section 2.7 and 2.8 of the Loan Agreement.

SECTION 5.3 Force Majeure. The Safekeeping Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes, fires; floods, wars, civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of external utilities or external communications service; acts of civil or military authority; and governmental actions. The Safekeeping Agent shall endeavor to provide notice to New Mountain and the Administrative Agent of the occurrence of any such circumstances as soon as reasonably practicable thereafter.

ARTICLE VI

MISCELLANEOUS

SECTION 6.1 Delivery of Certificate of Payoff Notice. Immediately upon the payment of all Obligations (other than any contingent obligations in respect of which no claim for reimbursement has been made) of New Mountain pursuant to the Loan Agreement, and termination of the Loan Agreement, the Administrative Agent shall deliver a Payoff Notice to the Safekeeping Agent in the form attached hereto as Exhibit B. Following the receipt of a Payoff Notice, the Safekeeping Agent shall continue to hold the Assets pursuant to the terms of this Agreement and, with respect to the transfer and release of any Assets or any other matter referred to in this Agreement regarding the Assets or Accounts, the Safekeeping Agent shall comply with Proper Instructions.

SECTION 6.2 Notices. All demands, notices, requests, instructions and communications upon or to or upon any party hereto shall be in writing, either by letter (delivered by hand or sent by certified mail, return receipt requested), facsimile, telegram or e-mail addressed as set forth below. Any demand, notice, request, instruction or communication shall be deemed to have been duly given to the intended recipient upon receipt at the respective addresses listed below, or at such other address as shall be designated by such person in a written notice to the other parties to this Agreement.

If to the Safekeeping Agent,

For notices

Wells Fargo Bank, N.A.
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services—New Mountain Capital
Fax: (410) 715-3748
Phone(410) 884-2000

For delivering physical securities:

Wells Fargo Bank, N.A.
1055 10th Avenue S.E.
Minneapolis, MN 55414

Attention: ABS Custody Vault
Tel: (612) 667-8058
Fax: (612) 667-1080

If to the Administrative Agent,

One Wachovia Center, NC0600
Charlotte, NC 28288
Attention: Mary Katherine DuBose
Facsimile: (704) 715-0067
Confirmation: (704) 383-0906
All electronic dissemination of Notices should be sent to
scp.mmloans@wachovia.com

If to New Mountain,

787 Seventh Avenue, 49th Floor
New York, NY 10019
Attention: Rob Hamwee, John Kline and Josh Greenberg
Fax: (212) 720-0351

SECTION 6.3 No Waiver; Cumulative Remedies. Each and every right granted to any party hereunder or under any other document delivered hereunder or in connection herewith, or allowed it by law or equity, shall be cumulative and may be exercised from time to time. No failure on the part of any party to exercise, and no delay in exercising, any right will operate as a waiver thereof, nor will any single or partial exercise by either party of any right preclude any other or future exercise thereof or the exercise of any other right.

SECTION 6.4 Severability of Provisions. In case any provision or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, to the extent

permitted by Applicable Law the validity, legality and enforceability of the remaining provisions shall not in any way be affected thereby.

SECTION 6.5 Amendments. This Agreement may not be amended or modified in any manner except by a written agreement executed by the Safekeeping Agent and New Mountain, and prior to the Payoff Date, the Administrative Agent.

SECTION 6.6 Successor and Assigns. This Agreement shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns. Neither party shall be permitted to assign their rights under this Agreement without the written consent of the other party; provided, however, that the foregoing shall not limit the ability of the Safekeeping Agent to delegate certain duties or services to or perform them through agents or attorneys appointed with due care as expressly provided in this Agreement. Any Person into which the Safekeeping Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Safekeeping Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Safekeeping Agent, shall be the successor of the Safekeeping Agent hereunder, and shall be bound by the provisions hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto and without the consent of any other party hereto.

SECTION 6.7 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6.8 1940 Act Compliance. No action taken under this Agreement or the Loan Agreement, shall be in violation of the 1940 Act.

SECTION 6.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

SECTION 6.10 Table of Contents Headings. The Table of Contents, Cross-Reference Table, and headings of the Articles and Sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

ARTICLE VII

TERMINATION

SECTION 7.1 Removal and Resignation. (a) At any time prior to the Payoff Date, the Safekeeping Agent may be removed, with or without cause, by the Administrative Agent by notice given in writing to the Safekeeping Agent (the "Termination Notice"); *provided* that notwithstanding its receipt of a Termination Notice, the Safekeeping Agent shall continue to act in such capacity until a successor has been appointed, has agreed to act as safekeeping agent hereunder and under the Loan Agreement, and has received all Collateral and Underlying

Instruments held by the Safekeeping Agent. At any time on and after the Payoff Date, the Safekeeping Agent may be removed, with or without cause, by New Mountain upon sixty (60) days prior written notice to the Safekeeping Agent.

(b) At any time, the Safekeeping Agent may terminate this Agreement upon (a)(i) prior to the Payoff Date, ninety (90) days or (ii) thereafter, sixty (60) days written notice to the other Parties hereto, or (b) the Safekeeping Agent determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and (ii) there is no reasonable action that the Safekeeping Agent could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the termination of this Agreement by the Safekeeping Agent without giving sixty (60) or ninety (90) days notice, as applicable, shall be evidenced as to clause (b)(i) above by an Opinion of Counsel to such effect delivered to New Mountain and prior to the Payoff Date, the Administrative Agent. At any time prior to the receipt by the Safekeeping Agent of a Payoff Notice from the Administrative Agent, no such termination shall become effective until a successor has assumed the responsibilities and obligations of the Safekeeping Agent hereunder; *provided* that such successor shall be an Affiliate of Wells Fargo Bank, N.A.

[*Remainder of Page Left Blank Intentionally*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as a deed by their respective officers or signatories thereunto duly authorized as of the day and year first above written.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., as New Mountain

By: Adam Weinstein

By: _____
Name: Adam Weinstein
Title: Chief Financial Officer & Treasurer

WELLS FARGO SECURITIES, LLC, in its capacity as Administrative Agent

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as Safekeeping Agent

By: _____
Name:
Title:

EXHIBIT A

FORM OF RELEASE OF UNDERLYING INSTRUMENTS

[Delivery Date]

BY FACSIMILE: (612) 667-1080
Wells Fargo Bank, National Association
ABS Custody Vault
1055 10th Ave. SE
MAC N9401-011
Minneapolis, MN 55414
Attention: Corporate Trust Services — Asset-Backed Securities Vault

With a copy to:

Wells Fargo Bank, N.A.
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services—New Mountain Capital

Re: Safekeeping Agreement, dated as of [ ], 2010 (as amended, modified, supplemented or restated from time to time, the "Safekeeping Agreement"), by and among by and among New Mountain Finance Holdings L.L.C., ("New Mountain"), and Wells Fargo Securities, LLC, as the Administrative Agent, and Wells Fargo Bank, National Association. Capitalized terms used but not defined herein shall have the meanings provided in the Safekeeping Agreement.

Ladies and Gentlemen:

In connection with the administration of the Underlying Instruments held by Wells Fargo Bank, National Association on behalf of the Administrative Agent as agent for the Secured Parties, under the Loan and Security Agreement, we request the release of the Underlying Instruments (or such documents as specified below) for the Loans described below, for the reason indicated.

Obligor's Name, Address & Zip Code:

Loan Identification Number:

Reason for Requesting Documents (check one)

☐ 1. Loan paid in full. (The Collateral Administrator hereby certifies that all amounts received in connection with such Loan have been credited to the Collection Account.)

☐ 2. Loan liquidated by . (The Collateral Administrator hereby certifies that all proceeds (net of liquidation expenses which the Collateral Administrator may retain to pay such expenses) of foreclosure, insurance, condemnation or other liquidation have been finally received and credited to the Collection Account.)

☐ 3. Loan in foreclosure.

☐ 4. Delivered in Error.

☐ 5. Substitution.

☐ 6. Failure to satisfy Review Criteria.

☐ 7. Repurchased.

☐ 8. Optional Sale.

☐ 9. Discretionary Sale.

☐ 10. Termination of Agreement.

☐ 11. Servicing.

☐ 12. Other (explain).

If box 1, 2, 4, 5, 6, 7, 8, 9 or 10 above is checked, and if all or part of the Underlying Instruments were previously released to us, please release to us the Underlying Instruments, requested in our previous request and receipt on file with you, as well as any additional documents in your possession relating to the specified Loan.

If box 3, 11 or 12 above is checked, we will return of all of the above Underlying Instruments to you (i) promptly upon the request of the Administrative Agent or (ii) when our need therefor no longer exists.

[Remainder of Page Intentionally Left Blank]

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., as the Collateral Administrator

By: Adam Weinstein

By: _____
Name: Adam Weinstein
Title: Chief Financial Officer & Treasurer

Consent of Administrative Agent if required under the Agreement:

WELLS FARGO SECURITIES, LLC,
as the Administrative Agent

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B

FORM OF PAYOFF NOTICE

The undersigned hereby certifies, represents and warrants to Wells Fargo Bank, National Association ("Wells Fargo, NA") as follows with respect to (a) the Safekeeping Agreement, dated as of , 20 (as amended, supplemented or otherwise modified from time to time, the "Safekeeping Agreement"), by and among New Mountain Finance Holdings L.L.C. ("New Mountain"), Wells Fargo Securities, LLC, as the Administrative Agent, and Wells Fargo, NA, as the Safekeeping Agent, and (b) the Amended and Restated Loan and Security Agreement, dated as of , 20 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among New Mountain, each of the Lenders from time to time party thereto (the "Lenders"), the Administrative Agent, and Wells Fargo, NA:

As of the date hereof, the Commitments have been terminated and the Obligations have been paid in full pursuant to the Loan Agreement, and the Loan Agreement has terminated subject to the terms of Section 12.6 of the Loan Agreement.

IN WITNESS WHEREOF, this certificate has been executed this [ ] day of [ ], 20[ ].

WELLS FARGO SECURITIES, LLC, as the Administrative Agent

By: _____
Name: _____
Title: _____

Date:

Exhibit (f)(2)

VARIABLE FUNDING NOTE

$160,000,000 , 2011

THIS VARIABLE FUNDING NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). NEITHER THIS VARIABLE FUNDING NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD EXCEPT IN COMPLIANCE WITH THE REGISTRATION PROVISIONS OF THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM SUCH REGISTRATION PROVISIONS.

THIS VARIABLE FUNDING NOTE IS NOT PERMITTED TO BE TRANSFERRED, ASSIGNED, EXCHANGED OR OTHERWISE PLEDGED OR CONVEYED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT REFERRED TO HEREIN.

FOR VALUE RECEIVED, NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., a Delaware limited liability company (the "Borrower"), promises to pay to WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender") or its assigns, the principal sum of ONE HUNDRED AND SIXTY MILLION DOLLARS ($160,000,000), or, if less, the unpaid principal amount of the aggregate advances ("Advances") made by the Lender to the Borrower pursuant to the Loan and Security Agreement (as defined below), as set forth on the attached Schedule, on the dates specified in the Loan and Security Agreement, and to pay interest on the unpaid principal amount of each Advance on each day that such unpaid principal amount is outstanding, at the Interest Rate related to such Advance as provided in the Loan and Security Agreement, on each Payment Date and each other date specified in the Loan and Security Agreement.

This Variable Funding Note (this "Note") is issued pursuant to the Amended and Restated Loan and Security Agreement, dated as of , 2011 (as amended, modified, supplemented or restated from time to time, the "Loan and Security Agreement"), by and among New Mountain Finance Holdings, L.L.C., as the collateral administrator (in such capacity, the "Collateral Administrator") and as the borrower (in such capacity, the "Borrower"), Wells Fargo Securities, LLC, as the Administrative Agent, each of the Lenders from time to time party thereto and Wells Fargo Bank, National Association, as the Collateral Custodian. Capitalized terms used but not defined herein shall have the meanings provided in the Loan and Security Agreement.

Notwithstanding any other provisions contained in this Note, if at any time the rate of interest payable by the Borrower under this Note, when combined with any and all other charges provided for in this Note, in the Loan and Security Agreement or in any other document (to the extent such other charges would constitute interest for the purpose of any applicable law limiting interest that may be charged on this Note), exceeds the highest rate of interest permissible under applicable law (the "Maximum Lawful Rate"), then for so long as the Maximum Lawful Rate would be exceeded, the rate of interest under this Note shall be equal to the Maximum Lawful Rate. If at any time thereafter the rate of interest payable under this Note is less than the Maximum Lawful Rate, the Borrower shall continue to pay interest under this Note at the Maximum Lawful Rate until such time as the total interest paid by the Borrower is equal to the total interest that would have been paid had applicable law not limited the interest rate payable under this Note. In no event shall the total interest received by the Lender under this Note exceed the amount which the Lender could lawfully have received had the interest due under this Note been calculated since the date of this Note at the Maximum Lawful Rate.

Payments of the principal of, and interest on, Advances represented by this Note shall be made by or on behalf of the Borrower to the holder hereof by wire transfer of immediately available funds in the manner and at the address specified for such purpose as provided in the Loan and Security Agreement, or in such manner or at such other address as the holder of this Note shall have specified in writing to the Borrower for such purpose, without the presentation or surrender of this Note or the making of any notation on this Note.

If any payment under this Note falls due on a day that is not a Business Day, then such due date shall be extended to the next succeeding Business Day and interest shall be payable on any principal so extended at the applicable Interest Rate.

If all or a portion of (i) the principal amount hereof or (ii) any interest payable thereon or (iii) any other amounts payable hereunder shall not be paid when due (whether at maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum that is equal to the Prime Rate plus 6.00%, in each case from the date of such non-payment to (but excluding) the date such amount is paid in full, provided that such interest rate shall not at any time exceed the Maximum Lawful Rate.

Portions or all of the principal amount of the Note shall become due and payable at the time or times set forth in the Loan and Security Agreement. Any portion or all of the principal amount of this Note may be prepaid, together with interest thereon (and, as set forth in the Loan and Security Agreement, certain costs and expenses of the Lender) at the time and in the manner set forth in, but subject to the provisions of, the Loan and Security Agreement.

Except as provided in the Loan and Security Agreement, the Borrower expressly waives presentment, demand, diligence, protest and all notices of any kind whatsoever with respect to this Note.

All amounts evidenced by this Note, the Lender's Advances and all payments and prepayments of the principal hereof and the respective dates and maturity dates thereof shall be endorsed by the Lender on the schedule attached hereto and made a part hereof or on a continuation thereof, which shall be attached hereto and made a part hereof; provided, however, that the failure of the Lender to make such a notation shall not in any way limit or otherwise affect the obligations of the Borrower under this Note as provided in the Loan and Security Agreement.

The holder hereof may sell, assign, transfer, negotiate, grant participations in or otherwise dispose of all or any portion of any Advances made by the Lender and represented by this Note and the indebtedness evidenced by this Note, subject to the applicable provisions of the Loan and Security Agreement.

This Note is secured by the security interests granted pursuant to Section 8.1 of the Loan and Security Agreement. The holder of this Note is entitled to the benefits of the Loan and Security Agreement and may enforce the agreements of the Borrower contained in the Loan and Security Agreement and exercise the remedies provided for by, or otherwise available in respect of, the Loan and Security Agreement, all in accordance with, and subject to the restrictions contained in, the terms of the Loan and Security Agreement. If an Event of Default shall occur, the unpaid balance of the principal of all Advances, together with accrued interest thereon, the Lenders may declare, or in certain circumstances, the unpaid principal balance thereof shall be declared, and become, due and payable, in each case, in the manner and with the effect provided in the Loan and Security Agreement.

The Borrower, the Lenders, the Collateral Administrator and the Collateral Custodian each intend, for federal, state and local income and franchise tax purposes only, that this Note be evidence of indebtedness secured by the Collateral, and the Lender, as a lender under the Loan and Security Agreement, by the acceptance hereof, agrees to treat the Note for federal, state and local income and franchise tax purposes as indebtedness.

This Note is one of the "Variable Funding Notes" referred to in Section 2.1 of the Loan and Security Agreement and represents a ratable share of the security interest

in the Collateral to the extent provided in the Loan and Security Agreement. This Note shall be construed in accordance with and governed by the laws of the State of New York.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed this Note as on the date first written above.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., as the Borrower

By: _____
Name: Adam Weinstein
Title: Chief Financial Officer and Treasurer

[Signature Page to Variable Funding Note]

Schedule attached to Variable Funding Note dated , 2011 of New Mountain Finance Holdings, L.L.C. payable to the order of Lender

Date of Advance or Repayment	Principal Amount of Advance	Principal Amount of Repayment	Outstanding Principal Amount

, 2011

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.,
as Pledgor

WELLS FARGO SECURITIES, LLC,
as Administrative Agent on behalf of the Secured Parties

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Securities Intermediary

AMENDED AND RESTATED ACCOUNT CONTROL AGREEMENT

TABLE OF CONTENTS

AMENDED AND RESTATED ACCOUNT CONTROL AGREEMENT (this "**Agreement**"), dated as of , 2011, among NEW MOUNTAIN FINANCE HOLDINGS, L.L.C. (the "**Pledgor**"), WELLS FARGO SECURITIES, LLC as Administrative Agent on behalf of the Secured Parties to the Loan Agreement defined below (the "**Secured Party**") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as collateral custodian and securities intermediary (the "**Securities Intermediary**").

In consideration of the mutual agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

INTERPRETATION

Section 1. (a) Definitions. All terms used herein which are defined in the Amended and Restated Loan and Security Agreement, dated as of the date hereof, among the Pledgor, the Secured Party, the lenders parties thereto from time to time and the Securities Intermediary (the "**Loan Agreement**") or in Article 8 or Article 9 of the UCC and which are not otherwise defined herein are used herein as so defined.

(b) Rules of Construction. Unless the context otherwise clearly requires: (i) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined; (ii) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms; (iii) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (iv) the word "will" shall be construed to have the same meaning

and effect as the word "shall"; (v) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (vi) any reference herein to any Person shall be construed to include such Person's successors and assigns; (vii) the words "herein," "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof; and (viii) all references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Agreement.

ARTICLE II

APPOINTMENT OF SECURITIES INTERMEDIARY

Section 2. Each of the Pledgor and the Secured Party hereby appoints the Securities Intermediary as securities intermediary hereunder. The Securities Intermediary hereby accepts such appointment. The Securities Intermediary shall be the agent of the Pledgor and Secured Party for the purposes of this Agreement.

ARTICLE III

THE SECURED ACCOUNTS

Section 3. (a) Establishment of Secured Accounts. Pursuant to the Custodial Agreement, the Securities Intermediary has established and is maintaining on its books and records, in the name of the Pledgor, (i) the securities account designated as the "Collateral Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "**Collateral Account**"), (ii) the securities account designated as the "Principal Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "**Principal Collections Account**"), (iii) the securities account designated as the "Interest Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "**Interest Collections Account**"), (iv) the securities account designated as the "Borrower Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "**Borrower Collections Account**" and (v) the securities account designated as the "Excess Future Funding Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "**Excess Future Funding Account**" and, together with the Collateral Account, the Principal Collections Account, the Interest Collections Account and the Borrower Collection Account, the "**Secured Accounts**").

(b) Status of Secured Accounts; Treatment of Property as Financial Assets; Relationship of Parties. The Securities Intermediary hereby agrees with the Pledgor and Secured Party that: (i) each Secured Account is a "securities account" (within the meaning of Section 8-501(a) of the UCC) in respect of which the Securities Intermediary is a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC); (ii) each item of property (whether cash, a security, an instrument or any other property) credited to any Secured Account shall be treated as a "financial asset" (within the meaning of Section 8-102(a)(9) of the UCC); and (iii) each Secured Account and any rights or proceeds derived therefrom are subject to a security interest in favor of the Secured Party arising under the Loan Agreement. The Pledgor and Secured Party hereby directs the Securities Intermediary, subject to the terms of this Agreement, to identify the Secured Party on its books and records as the "entitlement holder" (as defined in Section 8-102(a)(7) of the UCC) with respect to each Secured Account and the property held therein and the Securities Intermediary agrees to do the same.

(c) The Securities Intermediary will, by book-entry notation, promptly credit to the applicable Secured Account all property to be credited thereto pursuant to the Loan Agreement.

(d) Form of Securities, Instruments, etc. All securities and other financial assets credited to any Secured Account that are in registered form or that are payable to or to the order of shall be (i) registered in the name of, or payable to or to the order of, the Securities Intermediary, (ii) indorsed to or to the order of the Securities Intermediary or in blank or (iii) credited to another securities account maintained in the name of the Securities Intermediary; and in no case will any financial asset credited to any Secured Account be registered in the name of, or payable to or to the order of, the Pledgor or any other person or indorsed to or to the order

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of the Pledgor or any other person, except to the extent the foregoing have been specially indorsed to or to the order of the Securities Intermediary or in blank.

(e) Securities Intermediary's Jurisdiction. The Securities Intermediary agrees that, for the purposes of the UCC, its "securities intermediary's jurisdiction" (within the meaning of Section 8-110(e) of the UCC) shall be the State of New York.

(f) Conflicts with other Agreements. The Securities Intermediary agrees that, if there is any conflict between this Agreement (or any portion thereof) and any other agreement (whether now existing or hereafter entered into) relating to any Secured Account, the provisions of this Agreement shall prevail.

(g) No Other Agreements. The Securities Intermediary hereby confirms and agrees that:

(i) other than the Loan Agreement, there are no other agreements entered into between the Securities Intermediary and the Pledgor with respect to any Secured Account or any financial asset or security entitlement credited thereto;

(ii) other than the Loan Agreement, it has not entered into, and until the termination of this Agreement will not enter into, any other agreement with any other Person (including the Pledgor) relating to any Secured Account and/or any financial asset or security entitlement thereto (A) pursuant to which it has agreed or will agree to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) of such other Person or (B) with respect to the creation or perfection of any other security interest in any Secured Account or any financial asset or security entitlement credited thereto; and

(iii) it has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Pledgor or the Secured Party purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 3(h).

(h) Transfer Orders, Standing Instructions.

(i) The Pledgor, the Secured Party and the Securities Intermediary each agrees that if at any time a Responsible Officer of the Securities Intermediary shall receive an "entitlement order" (within the meaning of Section 8-102(a)(8) of the New York UCC) or any other order originated by the Secured Party and relating to any Secured Account or any financial assets or security entitlements credited thereto (collectively, a "**Transfer Order**"), the Securities Intermediary shall comply with such Transfer Order without further consent by the Pledgor or any other Person.

(ii) At any time prior to the delivery to the Securities Intermediary of a Notice of Exclusive Control, the Securities Intermediary shall comply with each Transfer Order it receives from the Pledgor.

(iii) Upon receipt by the Securities Intermediary of a Notice of Exclusive Control, and until such Notice of Exclusive Control is withdrawn or rescinded by the

Secured Party in writing, the Securities Intermediary shall not comply with any Transfer Order it receives from the Pledgor and shall act solely upon Transfer Orders received from the Secured Party.

(iv) The Secured Party hereby agrees with the Pledgor that it shall not deliver a Notice of Exclusive Control except after the occurrence and during the continuation of an Event of Default.

ARTICLE IV

THE SECURITIES INTERMEDIARY

Section 4. (a) Performance of Duties. The Securities Intermediary may execute any of the powers hereunder or perform any of its duties hereunder directly or by or through agents, attorneys or employees. The Securities Intermediary shall be entitled to consult with counsel selected with due care and to act in reliance upon the written opinion of such counsel concerning matters pertaining to its duties hereunder, and shall not be liable for any action taken or omitted to be taken by it in good faith in reliance upon and in accordance with the written opinion of such counsel. Except as expressly provided herein, the Securities Intermediary shall not be under any obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Secured Party.

(b) No Change to Secured Accounts. Without the prior written consent of the Pledgor and the Secured Party, the Securities Intermediary will not change the account number or designation of any Secured Account.

(c) Certain Information. The Securities Intermediary shall promptly notify the Pledgor and the Secured Party if a Responsible Officer of the Securities Intermediary with direct responsibility for administration of this Agreement receives written notice that any Person asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the property credited to any Secured Account. The Securities Intermediary will send copies of all statements, confirmations and other correspondence relating to each Secured Account (and/or any financial assets credited thereto) simultaneously to the Pledgor and the Secured Party. The Securities Intermediary will furnish to the Secured Party and the Pledgor, upon request, an account statement with respect to each Secured Account.

(d) Subordination. Except as otherwise expressly provided for in this Agreement, the Securities Intermediary hereby waives any and all statutory, regulatory, contractual or other rights now or hereafter existing in favor of the Securities Intermediary over or with respect to any Secured Account, all property credited thereto and all security entitlements to such property (including (i) any and all contractual rights of set-off, lien or compensation, (ii) any and all statutory or regulatory rights of pledge, lien, set-off or compensation, (iii) any and all statutory, regulatory, contractual or other rights to put on hold, block transfers from or fail to honor instructions of the Pledgor (including, without limitation, Issuer Orders) with respect to any Secured Account or (iv) any and all statutory or other rights to prohibit or otherwise limit the pledge, assignment, collateral assignment or granting of any type of security interest in any Secured Account), except the Securities Intermediary may set off the face amount of any checks

that have been credited to any Secured Account but are subsequently returned unpaid because of uncollected or insufficient funds.

(e) Limitation on Liability. The Securities Intermediary shall not have any duties or obligations except those expressly set forth herein and shall satisfy those duties expressly set forth herein so long as it acts without gross negligence, willful misconduct or bad faith. Without limiting the generality of the foregoing, the Securities Intermediary shall not be subject to any fiduciary duty or any implied duties, and the Securities Intermediary shall not have any duty to take any discretionary action or exercise any discretionary powers. None of the Securities Intermediary, any Affiliate of the Securities Intermediary, or any officer, agent, stockholder, partner, member, director or employee of the Securities Intermediary or any Affiliate of the Securities Intermediary shall have any liability, whether direct or indirect and whether in contract, tort or otherwise (i) for any action taken or omitted to be taken by any of them hereunder or in connection herewith unless such act or omission constituted gross negligence, willful misconduct or bad faith or (ii) for any action taken or omitted to be taken by the Securities Intermediary in accordance with the terms hereof at the express direction of the Secured Party. In addition, the Securities Intermediary shall have no liability for making any investment or reinvestment of any cash balance in any Secured Account pursuant to the terms of this Agreement. The liabilities of the Securities Intermediary shall be limited to those expressly set forth in this Agreement. With the exception of this Agreement (and relevant terms used herein and expressly defined in the Loan Agreement), the Securities Intermediary is not responsible for or chargeable with knowledge of any terms or conditions contained in any agreement referred to herein, including, but not limited to, the Loan Agreement. In no event shall the Securities Intermediary have any responsibility to ascertain, inquire or monitor whether (a) any order or instruction (including, but not limited to, any Issuer Order issued by the Pledgor and any Transfer Order issued by the Secured Party) complies with the terms of the Loan Agreement or (b) an Event of Default has occurred.

(f) Reliance. The Securities Intermediary shall be entitled to conclusively rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing including, but not limited to, an electronic mail communication delivered to the Securities Intermediary under or in connection with this Agreement and in good faith believed by it to be genuine and to have been signed or sent by the proper Person. The Securities Intermediary may consult with legal counsel, independent accountants and other experts selected by it with due care, and shall not be liable for any action taken or not taken by the Securities Intermediary in good faith and in accordance with the advice of any such counsel, accountants or experts.

(g) Court Orders, etc. If at any time the Securities Intermediary is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects any Secured Account (including, but not limited to, orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of any Secured Account or any financial asset in any Secured Account), the Securities Intermediary is authorized to take such action as legal counsel of its own choosing advises appropriate to comply therewith; and if the Securities Intermediary complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, the Securities Intermediary will not be liable to any of the parties hereto

or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(h) Successor Securities Intermediary.

(i) Merger. Any Person into whom the Securities Intermediary may be converted or merged, or with whom it may be consolidated, or to whom it may sell or transfer its trust or other business and assets as a whole or substantially as a whole, or any Person resulting from any such conversion, sale, merger, consolidation or transfer to which the Securities Intermediary is a party, shall (*provided* it is otherwise qualified to serve as the Securities Intermediary hereunder) be and become a successor Securities Intermediary hereunder and be vested with all of the powers, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary

notwithstanding.

(ii) Resignation. The Securities Intermediary and any successor thereto may at any time resign by giving forty-five (45) days' written notice by registered, certified or express mail to the Secured Party and the Pledgor; *provided* that such resignation shall take effect only upon the date which is the later of the effective date of the appointment of a successor Securities Intermediary acceptable to the Secured Party, as evidenced by its written consent and the acceptance in writing by such successor Securities Intermediary of such appointment and of its obligation to perform its duties hereunder in accordance with the provisions hereof. Subject to the preceding sentence, if on the 45th day after written notice of resignation is delivered by a resigning party as described above no successor party or temporary successor Securities Intermediary has been appointed in accordance herewith, the resigning party may petition a court of competent jurisdiction in New York City for the appointment of a successor.

(i) Compensation and Reimbursement. The Pledgor agrees: (a) to pay to the Securities Intermediary from time to time, reasonable compensation for all services rendered by it hereunder; and (b) to reimburse the Securities Intermediary upon its request for all reasonable expenses, disbursements and advances incurred or made by the Securities Intermediary in accordance with any provision of, or carrying out its duties and obligations under, this Agreement (including the reasonable compensation and fees and the expenses and disbursements of its agents, any Independent certified public accountants and Independent counsel), except any expense, disbursement or advance as may be attributable to gross negligence, bad faith or willful misconduct on the part of the Securities Intermediary.

(j) Securities Intermediary and their Affiliates. Wells Fargo Bank, National Association and any of its affiliates providing services in connection with the transactions contemplated in the Transaction Documents shall have only the duties and responsibilities expressly provided in its various capacities and shall not, by virtue of it or any Affiliate acting in any other capacity be deemed to have duties or responsibilities other than as expressly provided with respect to each such capacity. Wells Fargo Bank, National Association (or its Affiliates), in its various capacities in connection with the transactions contemplated in the Transaction

Documents, including as Securities Intermediary, may enter into business transactions, including the acquisition of investment securities as contemplated by the Transaction Documents, from which it and/or such Affiliates may derive revenues and profits in addition to the fees stated in the various Transaction Documents, without any duty to account therefor.

ARTICLE V

INDEMNITY; LIMITATION ON DAMAGES; EXPENSES; FEES

Section 5. (a) Indemnity. (i) Subject to Section 5(a)(ii), the Pledgor hereby indemnifies and holds harmless the Securities Intermediary, its Affiliates and their respective officers, directors, employees, representatives and agents (collectively referred to for the purposes of this Section 5(a) as the Securities Intermediary), against any loss, claim, damage, expense or liability (including the costs and expenses of defending against any claim of liability), or any action in respect thereof, to which the Securities Intermediary may become subject, whether commenced or threatened, insofar as such loss, claim, damage, expense, liability or action arises out of or is based upon the execution, delivery or performance of this Agreement, but excluding any such loss, claim, damage, expense, liability or action arising out of the bad faith, gross negligence or willful misconduct of the Securities Intermediary, and shall reimburse the Securities Intermediary promptly upon demand for any reasonable and documented out-of-pocket legal or other expenses reasonably incurred by the Securities Intermediary in connection with investigating or preparing to defend or defending against or appearing as a third party witness in connection with any such loss, claim, damage, expense, liability or action as such expenses are incurred. No provision of this Agreement shall require the Securities Intermediary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The obligations of the Pledgor under this clause (a) are referred to as the "**Securities Intermediary Indemnity**". The provisions of this section will survive the termination of this Agreement and the resignation or removal of the Securities Intermediary.

(ii) The obligation of the Pledgor to pay any amounts in respect of the Securities Intermediary Indemnity shall be subject to the priority of payments set forth in the Loan Agreement and shall survive the termination of this Agreement and the resignation or removal of the Securities Intermediary.

(b) Expenses and Fees. The Pledgor shall be responsible for, and hereby agrees to pay, all reasonable and documented out-of-pocket costs and expenses incurred by the Securities Intermediary in connection with the establishment and maintenance of each Secured Account, including the Securities Intermediary's customary fees and expenses, any reasonable and documented out-of-pocket costs or expenses incurred by the Securities Intermediary as a result of conflicting claims or notices involving the parties hereto, including the reasonable fees and expenses of its external legal counsel, and all other reasonable costs and expenses incurred in connection with the execution, administration or enforcement of this Agreement including reasonable attorneys' fees and costs, whether or not such enforcement includes the filing of a lawsuit.

(c) No Consequential Damages. Notwithstanding anything in this Agreement to the contrary, in no event shall the Securities Intermediary be liable for special, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Securities Intermediary has been advised of such loss or damage and regardless of the form of action.

ARTICLE VI

REPRESENTATIONS AND AGREEMENTS

Section 6. The Securities Intermediary represents to and agrees with the Pledgor and the Secured Party that:

(a) Status. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(b) Powers. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance; and this Agreement has been, and each other such document will be, duly executed and delivered by it.

(c) Obligations Binding. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(d) Waiver of Setoffs. The Securities Intermediary hereby expressly waives any and all rights of setoff that such party may otherwise at any time have under Applicable Law with respect to any Secured Account.

(e) Ordinary Course. The Securities Intermediary, in the ordinary course of its business, maintains securities accounts for others and is acting in such capacity in respect of any Secured Account.

(f) Comply with Duties. The Securities Intermediary will comply at all times with the duties of a "securities intermediary" under Article 8 of the UCC.

(g) Participant of the Federal Reserve Bank of New York. The Securities Intermediary is a member of the Federal Reserve System.

ARTICLE VII

ADVERSE CLAIMS

Section 7. Except for the claims and interest set forth in this Agreement, no Responsible Officer of the Securities Intermediary knows of any claim to, or interest in, any Secured Account or in any "financial asset" (as defined in Section 8-102(a) of the UCC) credited thereto. If any Person (as notified in writing to a Responsible Officer of the Securities Intermediary) asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Secured Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Pledgor thereof (and the Pledgor shall promptly notify the Secured Party thereof).

ARTICLE VIII

TRANSFER

Section 8. Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by any party without the prior written consent of each other party. Any purported transfer that is not in compliance with this Section 8 will be void.

ARTICLE IX

TERMINATION

Section 9. The rights and powers granted herein to the Secured Party have been granted in order to perfect its security interest in each Secured Account and the financial assets contained therein, are powers coupled with an interest and will be affected neither by the bankruptcy of the Pledgor nor by the lapse of time. The obligations of the Securities Intermediary hereunder shall continue in effect until the earlier of (a) that date upon which the security interest of the Secured Party in each Secured Account has been terminated and (b) that date on which the Secured Party releases or terminates its security interest in each Secured Account.

ARTICLE X

MISCELLANEOUS

Section 10. (a) Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) Amendments. No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission), executed by each of the parties.

(c) Survival. All representations and warranties made in this Agreement or in any certificate or other document delivered pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement or such certificate or other document (as the case may be) or any deemed repetition of any such representation or warranty. In addition, the rights of the Securities Intermediary under Sections 4 and 5, and the obligations of the Pledgor under Section 5, shall survive the termination of this Agreement.

(d) Benefit of Agreement. Subject to Section 8, this Agreement shall be binding upon and inure to the benefit of the Pledgor, the Secured Party and the Securities Intermediary and their respective successors and permitted assigns.

(e) Counterparts. This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(f) No Waiver of Rights. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) Headings. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

(h) Severability. If any provision of this Agreement, or the application thereof to any party or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any jurisdiction), the remaining terms of this Agreement, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the deletion of such portion of this Agreement will not substantially impair the respective expectations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties.

(i) No Agency. Notwithstanding anything that may be construed to the contrary, it is understood and agreed that the Securities Intermediary is not, nor shall it be considered to be, an agent, of the Secured Party. In addition, the Securities Intermediary shall not act or represent itself, directly or by implication, as an agent of the Secured Party or in any manner assume or create any obligation whatsoever on behalf of, or in the name of, the Secured Party.

ARTICLE XI

NOTICES

Section 11. (a) Effectiveness. Any notice or other communication in respect of this Agreement may be given in any manner set forth in Section 12.2 of the Loan Agreement.

(b) Change of Addresses. Any party may by written notice to the other change the address or facsimile number at which notices or other communications are to be given to it.

ARTICLE XII

GOVERNING LAW AND JURISDICTION

Section 12. (a) Governing Law. This Agreement, each Secured Account and any matter arising among the parties under or in connection with this Agreement or any Secured Account, will be governed by and construed in accordance with the laws of the State of New York.

(b) Jurisdiction. With respect to any suit, action or proceedings relating to this Agreement or any matter among the parties arising under or in connection with this Agreement ("**Proceedings**"), each party irrevocably: (i) submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) Service of Process. The parties irrevocably consent to service of process given in the manner provided for notices in Section 11. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

(d) Waiver of Jury Trial Right. **EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING.** Each party hereby (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that any other party would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph (d).

ARTICLE XIII

AMENDMENT AND RESTATEMENT

Section 13. Amendment and Restatement. This Agreement amends and restates that certain Account Control Agreement, dated as of October 21, 2009, among New Mountain Guardian Debt Funding, L.L.C., as pledgor, the Administrative Agent and the Securities Intermediary, (the "Existing Control Agreement"). As of the date hereof, the terms, conditions, agreements, covenants, representations and warranties set forth in the Existing Control Agreement are hereby amended and restated in their entirety, and as so amended and restated, replaced and superseded by the terms, conditions, agreements, covenants, representations and warranties set forth in this Agreement, except that nothing herein shall impair or adversely affect the continuation of any indemnifications, reimbursement obligations or other liabilities of the Pledgor arising under the Existing Control Agreement, including, without limitation, any liabilities arising under Article V thereof.

ARTICLE XIV

DEFINITIONS

Section 14. As used in this Agreement:

"**Agreement**" has the meaning specified in the Recitals.

"**Borrower Collections Account**" has the meaning specified in Section 3(a).

"**Collateral Account**" has the meaning specified in Section 3(a).

"**consent**" includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

"**Excess Future Funding Account**" has the meaning specified in Section 3(a).

"**Interest Collections Account**" has the meaning specified in Section 3(a).

"**law**" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and "**lawful**" and "**unlawful**" will be construed accordingly.

"**Loan Agreement**" has the meaning specified in Section 1(a).

"**Notice of Exclusive Control**" a notice delivered to the Securities Intermediary by the Secured Party in accordance with Section 11(a) stating that the Secured Party is exercising exclusive control over the Secured Accounts.

"**Person**" any natural person or legal entity, including with out limitation any corporation, partnership, limited liability company, statutory or common law trust, or governmental entity or unit.

"**Pledgor**" has the meaning specified in the Recitals.

"**Principal Collections Account**" has the meaning specified in Section 3(a).

"**Proceedings**" has the meaning specified in Section 12(b).

"**Secured Accounts**" has the meaning specified in Section 3(a).

"**Secured Party**" has the meaning specified in the Recitals.

"**Securities Intermediary**" has the meaning specified in the Recitals.

"**Securities Intermediary Indemnity**" has the meaning specified in Section 5(a).

"**UCC**" the Uniform Commercial Code as in effect in the State of New York.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

Pledgor:

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., as the Borrower

By: _____
Name:
Title:

Secured Party:

WELLS FARGO SECURITIES, LLC

By: _____
Name:
Title:

Securities Intermediary:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as securities intermediary

By: _____
Name:
Title:

Exhibit (f)(4)

EXECUTION VERSION

U.S. $93,750,000

LOAN AND SECURITY AGREEMENT

by and among

NEW MOUNTAIN GUARDIAN (LEVERAGED), L.L.C.,
as the Collateral Administrator

NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C.,
as the Borrower

EACH OF THE LENDERS FROM TIME TO TIME PARTY HERETO,
as the Lenders

WELLS FARGO SECURITIES, LLC,
as the Administrative Agent

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as the Collateral Custodian

Dated as of October 27, 2010

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

EXHIBITS

SCHEDULES

ANNEXES

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (as amended, modified, waived, supplemented, restated or replaced from time to time, this "Agreement") is made as of October 27, 2010, by and among:

(1) **NEW MOUNTAIN GUARDIAN (LEVERAGED), L.L.C.,** a Delaware limited liability company, as the collateral administrator (the "Collateral Administrator");

(2) **NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C.,** a Delaware limited liability company, as the borrower (the "Borrower");

(3) **EACH OF THE LENDERS FROM TIME TO TIME PARTY HERETO** (together with its respective successors and assigns in such capacity, each a "Lender", collectively, the "Lenders");

(4) **WELLS FARGO SECURITIES, LLC,** a Delaware limited liability company (together with its successors and assigns, "WFS"), as the administrative agent hereunder (together with its successors and assigns in such capacity, the "Administrative Agent"); and

(5) **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association ("Wells Fargo"), not in its individual capacity but as the collateral custodian (together with its successors and assigns in such capacity, the "Collateral Custodian").

R E C I T A L S

WHEREAS, the Borrower has requested the Lenders to purchase the Variable Funding Notes (as defined below) and extend credit thereunder by making Advances (as defined below) under the Variable Funding Notes from time to time prior to the Revolving Period End Date (as defined below) for the general business purposes of the Borrower;

WHEREAS, the Borrower has requested that the Collateral Administrator manage the Collateral (as defined below); and

WHEREAS, the Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, based upon the foregoing Recitals, the mutual premises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1. Certain Defined Terms.

Certain capitalized terms used throughout this Agreement are defined in this Section 1.1. As used in this Agreement and its schedules, exhibits and other attachments, unless the context requires a different meaning, the following terms shall have the following meanings:

"1940 Act": The Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"Account": Any of the Collateral Account, the Principal Collection Account, the Interest Collection Account and any sub-accounts thereof reasonably deemed appropriate or necessary by the Administrative Agent for convenience in administering such accounts.

"Accreted Interest": Interest accrued on a Loan that is added to the principal amount of such Loan instead of being paid as it accrues.

"Accrual Period": With respect to (a) the first Payment Date, the period from the Closing Date to the first Payment Date, and (b) any subsequent Payment Date, the period from the immediately preceding Payment Date to the current Payment Date.

"Additional Amount": The meaning specified in Section 2.13(a).

"Additional Loans": All Loans that become part of the Collateral after the Closing Date.

"Administrative Agent": WFS, in its capacity as administrative agent, together with its successors and assigns, including any successor appointed pursuant to Section 11.6.

"Administrative Expenses": All amounts (including indemnification payments) due or accrued and payable by the Borrower to any Person pursuant to any Transaction Document, including, but not limited to, any third party service provider to the Borrower, any Lender or the Collateral Custodian, any Approved Broker Dealer or Approved Valuation Firm, accountants, agents and counsel of any of the foregoing for reasonable fees and expenses or any other Person in respect of any other reasonable fees, expenses, or other payments (including indemnification payments).

"Advance": The meaning specified in Section 2.1(b).

"Advance Date": With respect to any Advance, the date on which such Advance is made.

"Advance Rate": 70%.

"Advances Outstanding": On any day, the aggregate principal amount of all Advances outstanding on such day, after giving effect to all repayments of Advances and the making of new Advances on such day.

"Affected Party": The Administrative Agent, each Lender, all assignees and participants of each Lender and any sub-agent of the Administrative Agent.

"Affiliate": With respect to a Person, means any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person, or is a director or officer of such Person; *provided* that for purposes of determining whether any Loan is an Eligible Loan or any Obligor is an Eligible Obligor, the term Affiliate shall not include any Affiliate relationship which may exist solely as a result of direct or indirect ownership of, or control by, a common Financial Sponsor. For purposes of this definition, "control," when used with respect to any specified Person means the possession, directly or indirectly, of the power to vote 20% or more of the voting securities of such Person or to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement": The meaning specified in the Preamble.

"AIV": New Mountain Guardian AIV, L.P., a Delaware limited partnership.

"AIV Holding": New Mountain Guardian AIV Holdings Corporation, a Delaware corporation.

"AIV Indemnity Agreement": The Indemnity Agreement, dated as of the date hereof, between the Borrower and the AIV, as the same may be amended, restated, modified or supplemented from time to time.

"AIV Limited Partnership Agreement": The Amended and Restated Limited Partnership Agreement of the AIV, dated as of December 1, 2008, as the same may be amended, restated, modified or supplemented from time to time.

"Amortization Period": The period beginning on the day after the occurrence of either (i) the Revolving Period End Date or (ii) the Termination Date and ending on the date on which the Commitments have been reduced to zero and the Obligations have been paid in full.

"Applicable Law": For any Person or property of such Person, all existing and future laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances and orders by any Governmental Authority which are applicable to such Person or property (including, without limitation, predatory lending laws, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System), and applicable judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

"Applicable Spread": A rate *per annum* equal to 2.25%.

"Approved Broker Dealer": Each broker dealer listed on part 1 of Schedule II hereto.

"Approved Valuation Firm": Each valuation firm listed on part II of Schedule II hereto.

"Asset Rejection Percentage": The ratio of (a)(i) the number of Partially Eligible Loans submitted by the Borrower to the Administrative Agent to be included in the Collateral which are rejected by the Administrative Agent pursuant to clause (B) of the definition of "Eligible Loan" plus (ii) the number of Eligible Loans which are given an Assigned Value of less than ninety (90) percent of their respective Purchase Price by the Administrative Agent pursuant to clause (a) of the definition of "Assigned Value" to (b) the total number of Partially Eligible Loans submitted by the Borrower to the Administrative Agent to be included in the Collateral; *provided* that, until fifteen (15)

Partially Eligible Loans have been submitted to the Administrative Agent by the Borrower, the Asset Rejection Percentage shall be zero.

"Assigned Value":

(a) With respect to each Loan, as of the Closing Date (with respect to any Loan included in the Collateral on such date) or any subsequent date on which a Loan is acquired by the Borrower (with respect to any Loan added to the Collateral after the Closing Date), the least of (i) the value of such Loan (expressed as a percentage of par) as determined by the Administrative Agent in its sole discretion as of the Closing Date (with respect to any Loan included in the Collateral on such date) or any subsequent date on which a Loan is acquired by the Borrower (with respect to any Loan added to the Collateral after the Closing Date), (ii) the amount paid to acquire such Loan by the Borrower (expressed as a percentage of par) and (iii) 100%. For the avoidance of doubt, the "Assigned Value" of any Loan may not subsequently be adjusted absent a Value Adjustment Event with respect to such Loan.

(b) If a Value Adjustment Event of the type described in clauses (c), (d) or (f) of the definition thereof with respect to such Loan occurs, the "Assigned Value" of such Loan will, automatically and without any action by the Administrative Agent, be zero.

(c) If a Value Adjustment Event of the type described in clauses (a), (b), (e) or (g) of the definition thereof with respect to such Loan occurs, the "Assigned Value" of such Loan may be amended by the Administrative Agent in its sole discretion in accordance with the following methodology:

(i) if such Loan is a Priced Loan, the value assigned to such Loan shall be:

(A) the average of the prices quoted by three (3) Approved Broker Dealers selected by the Administrative Agent in its sole discretion (expressed as a percentage of par); or

(B) if a value cannot be determined pursuant to clause (A), the average of the prices quoted by two (2) Approved Broker Dealers selected by the Administrative Agent in its sole discretion (expressed as a percentage of par); or

(C) if a value cannot be determined pursuant to clause (A) or (B), the price quoted (if any) by a nationally recognized pricing service or

an Approved Broker Dealer selected by the Administrative Agent in its sole discretion (expressed as a percentage of par);

provided that, in each case, such amended Assigned Value shall not be higher than the Assigned Value of such Loan on the Closing Date or any subsequent date on which such Loan is acquired by the Borrower, as applicable; or

(ii) if such Loan is not a Priced Loan, or if the Administrative Agent elects to determine the value of a Loan under clause (c)(i) by requesting bid prices from a nationally recognized pricing service or Approved Broker Dealers and less than two bid prices from Approved Broker Dealers are obtained or the Administrative Agent, in its sole discretion, determines any such bid price or pricing service quote is not accurate, the value of such Loan (expressed as a percentage of par) shall be determined by the Administrative Agent in its sole discretion as of the date of the relevant Value Adjustment Event.

The amended Assigned Value of each Loan shall be promptly communicated by the Administrative Agent to the Borrower pursuant to an Assigned Value Notice.

(d) In the event the Borrower disagrees with the Administrative Agent's determination of the Assigned Value of a Loan pursuant to clause (c)(i)(C) or clause (c)(ii) above, the Borrower may (at its expense) retain any Approved Valuation Firm to value such Loan and if the value (expressed as a percentage of par) determined by such Approved Valuation Firm is greater than the Administrative Agent's determination of the Assigned Value, such Approved Valuation Firm's valuation shall become the Assigned Value of such Loan; *provided* that (A) such Approved Valuation Firm must value such Loan within twenty (20) days after the Borrower's receipt of the related Assigned Value Notice, and (B) the Assigned Value of such Loan shall be the value (expressed as a percentage of par) determined by the Administrative Agent pursuant to clause (c)(ii) above until such Approved Valuation Firm has determined its value.

(e) In the event that a Value Adjustment Event results in the reduction of the Assigned Value of any Eligible Loan and, subsequent to such reduction, either (i) the Net Senior Leverage Ratio (in the case of any Value Adjustment Event pursuant to clause (a) of such definition), (ii) the Cash Interest Coverage Ratio (in connection with any Value Adjustment Event pursuant to clause (b) of such definition) or (iii) both the Net Senior Leverage Ratio and Cash Interest Coverage Ratio (in the case of any Value Adjustment Event pursuant to clauses (a) and (b) of such definition) is or are increased to the applicable levels reported on the Closing Date or any subsequent date on which such Loan is acquired by the Borrower, then the Borrower may, by written notice to the Administrative Agent, request that the Assigned Value of such Loan be re-determined in accordance with terms of the definition of "Assigned Value" in this Section 1.1; provided that the resulting increase (if any) to the Assigned Value of such Eligible Loan shall be no greater than the Assigned Value as of the Closing Date or any subsequent date on which such Loan is acquired by the Borrower, as applicable.

"Assigned Value Notice": A notice delivered by the Administrative Agent to the Borrower and the Collateral Custodian specifying the value of a Loan determined in accordance with terms of the definition of "Assigned Value" in this Section 1.1, which notice shall include the reasons supporting the Administrative Agent's determination that a Value Adjustment Event has occurred.

"Availability": At any time, an amount equal to the excess, if any, of (i) the Maximum Availabilityminus (ii) the Advances Outstanding on such day; *provided* that at all times on and after the earlier to occur of the Revolving Period End Date, the Revolving Period Termination Date or the Termination Date, the Availability shall be zero.

"Available Capital": On any date of determination, the Remaining Capital Commitments (as defined in the Fund Limited Partnership Agreement) on such date less the amount on such date of any outstanding liability under any guaranty or any borrowing by the Fund or any Alternative Investment Vehicle (as defined in the Fund Limited Partnership Agreement) in respect of which the partners of the Fund would be required to make a Capital Contribution (as defined in the Fund Limited Partnership Agreement) while such guarantees or borrowing remain outstanding.

"Available Funds": With respect to any Payment Date, all amounts on deposit in the Collection Account (including, without limitation, any Collections).

"Bankruptcy Code": The United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, *et seq.*), as amended from time to time.

"Base Rate": For any day, the rate per annum (rounded upward, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Federal Funds Rate in effect on such day plus ½ of 1% and (b) the Prime Rate in effect on such day.

"BDC": New Mountain Guardian Corporation, a Delaware corporation that intends to elect on the SPV Merger Date to be regulated as a business development

company under the 1940 Act.

"Benefit Plan": Any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to Title IV of ERISA and in respect of which the Borrower or any ERISA Affiliate of the Borrower is, or at any time during the preceding six years was, an "employer" as defined in Section 3(5) of ERISA.

"Borrower": The meaning specified in the Preamble.

"Borrower LLC Agreement": The Amended and Restated Limited Liability Company Agreement of the Borrower, dated as of October 27, 2010, as the same may be amended, restated, modified or supplemented from time to time.

"Borrower's Notice": Any (a) Funding Notice or (b) Reinvestment Notice.

"Borrowing Base": As of any Measurement Date, an amount equal to the lesser of:

(a) the aggregate sum of (i) for each Eligible Loan as of such date, the product of (A) the Advance Rate for such Eligible Loan as of such date and (B) the OLB of such Eligible Loan as of such date, plus (ii) the aggregate amount on deposit in the Principal Collection Account reasonably determined by the Collateral Custodian to be payable to the Borrower on the next following Payment Date in accordance with Section 2.7 or Section 2.8, as applicable; or

(b) (i) the sum of the OLB of all Eligible Loans as of such date *minus* (ii) the Required Minimum Equity Amount, *plus* (iii) the aggregate amount on deposit in the Principal Collection Account reasonably determined by the Collateral Custodian to be payable to the Borrower on the next following Payment Date in accordance with Section 2.7 or Section 2.8, as applicable.

"Borrowing Base Certificate": Each certificate, in the form of Exhibit A-4, required to be delivered by the Borrower on each Measurement Date.

"Breakage Costs": With respect to any Lender, any amount or amounts as shall compensate such Lender for any loss, cost or expense incurred by such Lender (as determined by the applicable Lender in such Lender's reasonable discretion, but excluding the Applicable Spread) as a result of a payment by the Borrower of Advances Outstanding or Interest. All Breakage Costs shall be due and payable hereunder on each Payment Date in accordance with Section 2.7 and Section 2.8. The determination by the applicable Lender of the amount of any such loss, cost or expense shall be conclusive absent manifest error.

"Business Day": Any day (other than a Saturday or a Sunday) on which banks are not required or authorized to be closed in New York, New York, the location of the Collateral Custodian's Corporate Trust Office or, solely with respect to the determination of the LIBOR Rate, London, England.

"Cash": Cash or legal currency of the United States of America as at the time shall be legal tender for payment of all public and private debts.

"Cash Interest Coverage Ratio": With respect to any Loan for any Relevant Test Period, either (a) the meaning of "Cash Interest Coverage Ratio" or comparable definition set forth in the Underlying Instruments for such Loan, or (b) in the case of any Loan with respect to which the related Underlying Instruments do not include a definition of "Cash Interest Coverage Ratio" or comparable definition, the ratio of (i) EBITDA to (ii) Cash Interest Expense of such Obligor with respect to the applicable Relevant Test Period, as calculated by the Borrower and Collateral Administrator in good faith.

"Cash Interest Expense": With respect to any Obligor for any period, the amount which, in conformity with GAAP, would be set forth opposite the caption "interest expense" or any like caption reflected on the most recent financial statements delivered by such Obligor to the Borrower for such period.

"Certificated Security": The meaning specified in Section 8-102(a)(4) of the UCC.

"Change of Control": Any of the following:

(a) the creation, imposition or, to the knowledge of the Borrower or the Collateral Administrator, threatened imposition of any Lien on any limited liability company membership interest in the Borrower or the Collateral Administrator;

(b) at any time prior to the IPO Date, the AIV Limited Partnership Agreement shall fail to be in full force and effect;

(c) the Collateral Administrator LLC Agreement shall fail to be in full force and effect;

(d) at any time prior to the SPV Merger Date, the failure of AIV to directly own 100% of the limited liability company membership interests in the Collateral Administrator; or;

(e) at any time prior to the IPO Date, New Mountain Investments III, L.L.C. or any Affiliate thereof shall fail to be the general partner of either the Fund or the AIV;

(f) the failure of the Collateral Administrator to directly own 100% of the limited liability company membership interests in the Borrower;

(g) the dissolution, termination or liquidation in whole or in part, transfer or other disposition of all or substantially all of the assets of the Collateral Administrator;

(h) at any time after the SPV Merger Date, if AIV Holding owns any of the limited liability company interests in the Collateral Administrator, the failure of the AIV to own 100% of the capital stock of AIV Holding;

(i) at any time after the SPV Merger Date, the failure of AIV Holding, the BDC and New Mountain Guardian Advisors BDC to collectively own 100% of the limited liability company interests in the Collateral Administrator;

(j) at any time after the SPV Merger Date, New Mountain Guardian Advisors BDC shall own 10% or more of the limited liability company interests in the Collateral Administrator;

(k) at any time after the SPV Merger Date, any Taxable Entity Agreement shall fail to be in full force and effect; or

(l) at any time after the SPV Merger Date, but prior to the IPO Date, the failure of New Mountain Guardian Partners, L.P. to own 100% of the stock

of the BDC.

"Change of Tax Law": Any change in application or public announcement of an official position under or any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of any jurisdiction in which an Obligor, the Collateral Custodian or the Borrower, as applicable, is organized, or any political subdivision or taxing authority of any of the foregoing, affecting taxation, or change in the official application, enforcement or interpretation of such laws, regulations or rulings (including a holding by a court of competent

jurisdiction), or any other action taken by a taxing authority or court of competent jurisdiction in the relevant jurisdiction, or the official proposal of any such action.

"Clearing Agency": An organization registered as a "clearing agency" pursuant to Section 17A of the Exchange Act.

"Clearing Corporation": The meaning specified in Section 8-102(a)(5) of the UCC.

"Closing Date": October 27, 2010.

"Code": The Internal Revenue Code of 1986, as amended from time to time.

"Collateral": All of the Borrower's right, title and interest in, to and under (in each case, whether now owned or existing, or hereafter acquired or arising) all Accounts, General Intangibles, Instruments and Investment Property and any and all other property of any type or nature owned by it, including but not limited to:

(a) all Loans, Permitted Investments and Equity Securities, all payments thereon or with respect thereto and all contracts to purchase, commitment letters, confirmations and due bills relating to any Loans, Permitted Investments or Equity Securities;

(b) the Accounts and all Cash and Financial Assets credited thereto and all income from the investment of funds therein;

(c) all Transaction Documents to which the Borrower is a party;

(d) all funds delivered to the Collateral Custodian (directly or through an Intermediary or bailee); and

(e) all accounts, accessions, profits, income benefits, proceeds, substitutions and replacements, whether voluntary or involuntary, of and to any of the property of the Borrower described in the preceding clauses.

"Collateral Account": A Securities Account created and maintained on the books and records of the Collateral Custodian entitled "Collateral Account" in the name of the Borrower and subject to the prior Lien of the Administrative Agent for the benefit of the Secured Parties.

"Collateral Administration Fee": The fee payable to the Collateral Administrator on each Payment Date in arrears in respect of each Collection Period, which fee shall be equal to (i) the OLB as of such Payment Date multiplied by (ii) a rate equal to 0.50% per annum.

"Collateral Administrator": The meaning specified in the Preamble. For the avoidance of doubt, it is understood and agreed that, in connection with the SPV Merger, (i) each of (x) New Mountain Guardian Debt Funding, L.L.C. and (y) New Mountain Guardian Partners Debt Funding, L.L.C. or New Mountain Guardian Partners (Leveraged), L.L.C. will merge with and into the Collateral Administrator, with the Collateral Administrator surviving each of such mergers, and (ii) the Collateral Administrator will change its name to New Mountain Guardian

Holdings, L.L.C. From and after the SPV Merger Date, the term "Collateral Administrator" shall be deemed to refer to New Mountain Guardian Holdings, L.L.C.

"Collateral Administrator LLC Agreement": (a) At any time prior to the SPV Merger Date, the Limited Liability Company Agreement of the Collateral Administrator, dated as of October 29, 2008, as the same may be amended, restated, modified or supplemented from time to time and (b) thereafter, the Limited Liability Company Agreement of the Collateral Administrator, dated substantially contemporaneously with the SPV Merger Date, as the same may be amended, restated, modified or supplemented from time to time.

"Collateral Administrator Termination Event": The occurrence of any one of the following:

(a) any failure by the Collateral Administrator to make any payment, transfer or deposit into the Collection Account as required by this Agreement which continues unremedied for a period of two (2) Business Days;

(b) any failure on the part of the Collateral Administrator duly to observe or perform in any material respect any covenants or agreements of the Collateral Administrator set forth in any Transaction Document to which the Collateral Administrator is a party (including, without limitation, any material delegation of the Collateral Administrator's duties) and the same continues unremedied after any applicable cure period;

(c) the failure of the Collateral Administrator to make any payment when due (after giving effect to any related grace period) with respect to any recourse debt or other obligations, which debt or other obligations are in excess of United States $5,000,000, individually or in the aggregate, or the occurrence of any event or condition that has resulted in the acceleration of such recourse debt or other obligations, whether or not waived;

(d) an Insolvency Event shall occur with respect to the Collateral Administrator;

(e) the occurrence of an Event of Default described in Section 9.1(a) or Section 9.1(f);

(f) the Collateral Administrator shall cease to (i) be the sole member of the Borrower or (ii) be the Collateral Administrator;

(g) the occurrence or existence of any change with respect to the Collateral Administrator which the Administrative Agent in its sole discretion determines has a Material Adverse Effect (for the avoidance of doubt, the mergers of each of (x) New Mountain Guardian Debt Funding, L.L.C. and (y) New Mountain Guardian Partners Debt Funding, L.L.C. or New Mountain Guardian Partners (Leveraged), L.L.C. with and into the Collateral Administrator, with the Collateral Administrator surviving each of such mergers, and the subsequent name change of the Collateral Administrator to New Mountain Guardian Holdings, L.L.C., each in connection with the SPV Merger, shall not constitute a Material Adverse Effect on the Collateral Administrator);

(h) at any time prior to the IPO Date, any of the following events occur with respect to the General Partner:

(i) a breach of its obligation to make capital contributions or fund its expenses in accordance with the Limited Partnership Agreements; or

(ii) a finding by any court or governmental body of competent jurisdiction in a final, non-appealable judgment, or an admission by it in a settlement of any lawsuit, that it has committed fraud, willful misconduct, a material breach of its duties under the Limited Partnership Agreements, or a material violation of applicable securities laws, in each case which has a material adverse effect on the business of the Fund or the ability of the General Partner to perform its duties to the Fund; or

(iii) a conviction of, or plea of guilty or *nolo contendere* by the General Partner in respect of a felony in connection with any activity of the Fund or any of its Subsidiaries or Affiliates.

(i) any failure by the Collateral Administrator to deliver any Required Reports hereunder on or before the date occurring two (2) Business Days after the date such report is required to be made or given, as the case may be, under the terms of this Agreement;

(j) any representation, warranty or certification made by the Collateral Administrator in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect when made, which has a Material Adverse Effect and which continues to be unremedied for a period of ten (10) days after the earlier to occur of (i) the date on which written notice of such incorrectness shall have been given to the Collateral Administrator by the Administrative Agent and (ii) the date on which a Responsible Officer of the Collateral Administrator acquires knowledge thereof;

(k) the rendering against the Collateral Administrator of one or more final judgments, decrees or orders for the payment of money in excess of United States $5,000,000, individually or in the aggregate, and the continuance of such judgment, decree or order unsatisfied and in effect for any period of more than sixty (60) consecutive days without a stay of execution;

(l) any Change of Control described in clauses (a), (c), (d), (f), (g), (i), (j) or (k) of the related definition occurs with respect to the Collateral Administrator;

(m) the Collateral Administrator LLC Agreement shall fail to be in full force and effect or shall have been amended without the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld);

(n) at any time prior to the IPO Date, the Available Capital is less than $35,250,000;

(o) at any time prior to the IPO Date, the sum of (i) aggregate value of the investments of the New Mountain Funds, valued on the basis that such investments would be

valued in each such New Mountain Fund's reports to its partners and (ii) the aggregate remaining capital commitments of the New Mountain Funds, is less than $1,000,000,000; or

(p) the SPV Merger occurs without the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld).

"Collateral Administrator Termination Notice": The meaning specified in Section 6.11

"Collateral Custodian": Wells Fargo Bank, National Association, not in its individual capacity, but solely as Collateral Custodian, its successor in interest pursuant to Section 7.3 or such Person as shall have been appointed Collateral Custodian pursuant to Section 7.5.

"Collateral Custodian Fee": The fees, expenses and indemnities set forth as such in the Collateral Custodian Fee Letter and as provided for in this Agreement or any other Transaction Document.

"Collateral Custodian Fee Letter": The Fee Schedule, updated as of October 8, 2010, as acknowledged by New Mountain Capital, L.L.C.

"Collateral Custodian Termination Notice": The meaning specified in Section 7.5.

"Collection Account": Collectively, the Interest Collection Account and the Principal Collection Account.

"Collection Period": With respect to the first Payment Date, the period from and including the Closing Date to and including the Determination Date preceding the first Payment Date; and thereafter, the period from but excluding the Determination Date preceding the previous Payment Date to and including the Determination Date preceding the current Payment Date.

"Collections": (a) All cash collections and other cash proceeds of any Loan, including, without limitation or duplication, any Interest Collections, Principal Collections, amendment fees, late fees, prepayment fees, waiver fees or other amounts received in respect thereof (but excluding any Excluded Amounts) and (b) interest earnings on Permitted Investments or otherwise in any Account.

"Commitment": With respect to each Lender, the commitment of such Lender to make Advances in accordance herewith in an amount not to exceed (a) prior to the earlier to occur of the Revolving Period End Date or the Termination Date, the dollar amount set forth opposite such Lender's name on Annex B hereto or the amount set forth as such Lenders "Commitment" on Schedule I to the Joinder Supplement relating to such Lender, as applicable, and (b) on or after the earlier to occur of the Revolving Period End Date or the Termination Date, zero.

"Commitment Reduction Fee": With respect to any reduction of the Facility Amount pursuant to Section 2.3(a), an amount equal to the product of (a) the amount of such reduction multiplied by (b) the applicable Commitment Reduction Percentage; *provided* that, if the Asset Rejection Percentage prior to the date of such reduction is greater than 50%, the Commitment Reduction Fee shall be zero.

"Commitment Reduction Percentage": (a) On or prior to October 27, 2011, a rate per annum equal to 3.0%, (b) after October 27, 2011 and on or prior to October 27, 2012, a rate per annum equal to 2.0%, (c) after October 27, 2012 and on or prior to October 27, 2013, a rate per annum equal to 1.0% and (d) after October 27, 2013, zero.

"Consolidation Confirmation": The meaning specified in Section 2.3(a).

"Contractual Obligation": With respect to any Person, any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or to which either is subject.

"Corporate Trust Office": The designated corporate trust office of the Collateral Custodian, currently located at 9062 Old Annapolis Road, Columbia, Maryland, or such other address within the United States as the Collateral Custodian may designate from time to time by notice to the Administrative Agent.

"Covenant Compliance Period": The period beginning on the Closing Date and ending on the date on which the Commitments have been terminated and the Obligations have been paid in full.

"Credit and Collection Policy": The written credit policies and procedures manual of the Seller and the Collateral Administrator set forth on Schedule IV, as such credit and collection policy may be as amended or supplemented from time to time in accordance with Section 5.1(h).

"Default": Any event (other than an event described by Section 9.1(o)) that, with the giving of notice or the lapse of time, or both, would become an Event of Default.

"Determination Date": The date that is five (5) days before each Payment Date.

"DIP Loan": Any Loan (i) with respect to which the related Obligor is a debtor-in-possession as defined under the Bankruptcy Code, (ii) which has the priority allowed pursuant to Section 364 of the Bankruptcy Code and (ii) the terms of which have been approved by a court of competent jurisdiction (the enforceability of which is not subject to any pending contested matter or proceeding).

"Discretionary Sale": The meaning specified in Section 2.15.

"Discretionary Sale Date": With respect to any Discretionary Sale, the Business Day on which such Discretionary Sale occurs.

"Dollars": Means, and the conventional "$" signifies, the lawful currency of the United States.

"Due Diligence Fee": A fee in an amount equal to $25,000, due and payable pursuant to Section 2.11(b).

"EBITDA": With respect to the last four full fiscal quarters for which financial statements have been provided to the Borrower by or on behalf of any Obligor with respect to the related Loan, the meaning of "EBITDA", "Adjusted EBITDA" or any comparable definition in the Underlying Instruments for each such Loan, and in any case that "EBITDA", "Adjusted EBITDA" or such comparable definition is not defined in such Underlying Instruments, an amount, for the Obligor on such Loan and any parent that is obligated pursuant to the Underlying Instruments for such Loan (determined on a consolidated basis without duplication in accordance with GAAP) equal to earnings from continuing operations for such period plus (a) interest expense, (b) income taxes, (c) depreciation and amortization for such four fiscal quarter period (to the extent deducted in determining earnings from continuing operations for such period), (d) amortization of intangibles (including, but not limited to, goodwill, financing fees and other capitalized costs), other non-cash charges and organization costs, (e) extraordinary losses in accordance with GAAP, (f) one-time, non-recurring non-cash charges consistent with the compliance statements and financial reporting packages provided by the Obligors, and (g) and any other item the Borrower and the Administrative Agent mutually deem to be appropriate; *provided* that with respect to any Obligor for which four full fiscal quarters of economic data are not available, EBITDA shall be determined for such Obligor based on annualizing the economic data from the reporting periods actually available.

"Eligible Loan": Each Loan (A) for which the Administrative Agent and the Collateral Custodian have received (or, in accordance with clause (b) of the definition of "Required Loan Documents", will receive) the related Required Loan Documents; (B) that has been approved by the Administrative Agent in its sole discretion no less recently than three (3) Business Days prior to the applicable Advance Date; and (C) that satisfies each of the following eligibility requirements (unless the Administrative Agent in its sole discretion agrees to waive any such eligibility requirement with respect to such Loan):

(a) such Loan is a First Lien Loan;

(b) such Loan is denominated and payable only in Dollars in the United States and does not permit the currency in which such Loan is payable to be changed; *provided* that up to five (5) percent of Eligible Loans may be denominated in a currency other than Dollars;

(c) [intentionally omitted];

(d) the acquisition of such Loan will not cause the Borrower to be required to register as an investment company under the 1940 Act;

(e) such Loan does not constitute a DIP Loan;

(f) the primary Underlying Asset for such Loan is not real property;

(g) such Loan is in the form of and is treated as indebtedness of the related Obligor for United States federal income tax purposes;

(h) as of the date such Loan is first included as part of the Collateral, such Loan is not delinquent in payment and, since its acquisition by the Seller (or, in the case of a Loan acquired directly from a third party, since the closing of such acquisition), such Loan has

never been delinquent in payment of either principal or interest after taking into account any applicable grace or cure period;

(i) such Loan and any Underlying Assets comply in all material respects with all Applicable Laws;

(j) such Loan is eligible under its Underlying Instruments (giving effect to the provisions of Sections 9-406 and 9-408 of the UCC) to be sold to the Borrower and to have a security interest therein granted to the Administrative Agent, as agent for the Secured Parties;

(k) such Loan, together with the Underlying Instruments related thereto, (i) is, to the knowledge of the Borrower following Borrower's completion of customary due diligence, in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms, subject to customary bankruptcy, insolvency and equity limitations, (ii) is not subject to any litigation, dispute or offset, and (iii) contains provisions substantially to the effect that the Obligor's payment obligations thereunder are absolute and unconditional without any right of rescission, setoff, counterclaim or defense for any reason against the Seller, the Borrower or any assignee;

(l) such Loan (i) was originated and underwritten, or purchased and re-underwritten, by the Seller or by the Borrower in accordance with the Credit and Collection Policy and (ii) is fully documented;

(m) the Borrower has good and marketable title to, and is the sole owner of, such Loan, and (ii) the Borrower has granted to the Administrative Agent a valid and perfected first priority (subject to Permitted Liens) security interest in the Loan and Underlying Instruments, for the benefit of the Secured Parties;

(n) such Loan, and any payment made with respect to such Loan, is not subject to any withholding tax unless the Obligor thereon is required under the terms of the related Underlying Instrument to make "gross-up" payments that cover the full amount of such withholding tax on an after-tax basis;

(o) all material consents, licenses, approvals or authorizations of, or registrations or declarations with, any Governmental Authority or any other Person required to be obtained, effected or given in connection with the making, acquisition, transfer or performance of such Loan have been duly obtained, effected or given and are in full force and effect;

(p) such Loan and the Underlying Instruments related thereto, are eligible to be sold, assigned or transferred to the Borrower, and neither the sale, transfer or assignment of such Loan to the Borrower, nor the granting of a security interest hereunder to the Administrative Agent, violates, conflicts with or contravenes in any material respect any Applicable Law or any contractual or other restriction, limitation or encumbrance binding on the Borrower;

(q) such Loan requires the related Obligor to pay customary maintenance, repair, insurance and taxes, together with all other ancillary costs and expenses, with respect to the related, underlying collateral of such Loan;

(r) such Loan has an original term to stated maturity that does not exceed ten (10) years;

(s) the Underlying Instruments for such Loan do not contain a confidentiality provision that would prohibit the Administrative Agent or any Secured Party from obtaining all necessary information with regard to such Loan, so long as the Administrative Agent or such Secured Party, as applicable, has agreed to maintain the confidentiality of such information in accordance with the provisions of such Underlying Instruments;

(t) such Loan provides for (i) periodic payments of accrued and unpaid interest in cash on a current basis at a rate of at least 1.50% per annum, no less frequently than semi-annually and (ii) a fixed amount of principal payable in cash no later than its stated maturity;

(u) the Obligor with respect to such Loan is an Eligible Obligor;

(v) such Loan is Registered;

(w) such Loan is not a participation interest;

(x) all information provided by the Borrower or the Collateral Administrator with respect to the Loan is true, correct and complete in all material respects;

(y) such Loan (A) is not an Equity Security and (B) does not provide for the conversion or exchange into an Equity Security at any time on or after the date it is included as part of the Collateral;

(z) such Loan does not constitute Margin Stock;

(aa) such Loan does not require the Borrower to make advances in respect of such Loan at any time after the Borrower's purchase of such Loan; and

(bb) such Loan satisfies such other eligibility criteria as may be mutually agreed upon by the Administrative Agent and the Borrower prior to the applicable Advance Date.

For purposes of determining compliance with clause (B) of the definition of "Eligible Loan," each Loan included in the Loan List set forth on Schedule III hereto as of the Closing Date shall be deemed approved by the Administrative Agent.

"Eligible Obligor": On any Measurement Date, any Obligor:

(a) that is a business organization (and not a natural person) duly organized and validly existing under the laws of its jurisdiction of organization;

(b) that is not a Governmental Authority;

(c) that is not an Affiliate of the Borrower, the Seller or the Collateral Administrator;

(d) that is organized and incorporated in the United States, unless otherwise approved in writing by the Administrative Agent in its sole discretion;

(e) unless otherwise approved in writing by the Administrative Agent in its sole discretion, that is not the subject of an Insolvency Event and, as of the date on which such Loan becomes part of the Collateral, such Obligor has not, to the Borrower's knowledge after completion of customary due diligence, experienced a material adverse change in its financial condition; and

(f) where the sum of the OLB of all Eligible Loans made to such Obligor (including any Affiliate thereof) does not exceed $10,000,000; provided that, for up to three (3) Obligors on any Measurement Date, the sum of the OLB of all Eligible Loans made each such Obligor may equal an amount not to exceed $12,500,000.

"Eligible Repurchase Obligations": Repurchase obligations with respect to any security that is a direct obligation of, or fully guaranteed by, the United States or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States, in either case entered into with a depository institution or trust company (acting as principal) described in clause (b) of the definition of Permitted Investments.

"Equity Security": (i) Any equity security or any other security that is not eligible for purchase by the Borrower as a Loan, (ii) any security purchased as part of a "unit" with a Loan and that itself is not eligible for purchase by the Borrower as a Loan, (iii) any obligation that, at the time of commitment to acquire such obligation, was eligible for purchase by the Borrower as a Loan but that, as of any subsequent date of determination, no longer is eligible for purchase by the Borrower as a Loan, for so long

as such obligation fails to satisfy such requirements; *provided* that, the following are not "Equity Securities": (A) any United States real property interest as defined in Section 897 of the Code and any Treasury Regulation promulgated thereunder or (B) any interest in a partnership or any entity treated as a partnership within the meaning of Treasury Regulation §301.7701-3.

"ERISA": The United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated or issued thereunder.

"ERISA Affiliate": (a) Any corporation that is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Borrower, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with the Borrower, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as the Borrower.

"Eurodollar Disruption Event": The occurrence of any of the following: (a) any Lender shall have notified the Administrative Agent of a determination by such Lender that it would be contrary to law or to the directive of any central bank or other Governmental Authority (whether or not having the force of law) to obtain United States dollars in the London interbank market to fund any Advance, (b) any Lender shall have notified the Administrative Agent of a

determination by such Lender that the rate at which deposits of United States dollars are being offered to such Lender in the London interbank market does not accurately reflect the cost to such Lender of making, funding or maintaining any Advance or (c) any Lender shall have notified the Administrative Agent of the inability of such Lender, as applicable, to obtain United States dollars in the London interbank market to make, fund or maintain any Advance.

"Event of Default": The meaning specified in Section 9.1.

"Excepted Persons": The meaning specified in Section 12.13(a).

"Exchange Act": The United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Amounts": Any amount received in the Collection Account with respect to any Loan included as part of the Collateral, which amount is attributable to the reimbursement of payment by the Borrower of any Tax, fee or other charge imposed by any Governmental Authority on such Loan or on any Underlying Assets.

"Existing Facilities": The collective reference to (a) the Loan and Security Agreement, dated as of October 21, 2009, among New Mountain Guardian Debt Funding, L.L.C., as borrower, the Collateral Administrator, the lenders from time to time party thereto, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, National Association, as collateral custodian, and the other "Transaction Documents" (as defined therein), and (b) the Loan and Security Agreement, dated as of November 19, 2009, among New Mountain Guardian Partners Debt Funding, L.L.C., as borrower, New Mountain Guardian Partners (Leveraged), L.L.C., as collateral manager, the lenders from time to time party thereto, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, National Association, as collateral custodian, and the other "Transaction Documents" (as defined therein), in each case as such agreements may be amended, restated, supplemented or otherwise modified from time to time.

"Excluded Taxes": The meaning specified in Section 2.13(a).

"Facility Amount": (a) At any time prior to the SPV Merger Date, $93,750,000 and (b) thereafter, $100,000,000, in each case as such amount may vary from time to time pursuant to Section 2.3 hereof; *provided* that on or after the earlier to occur of the Revolving Period End Date or the Termination Date, the Facility Amount shall mean the Advances Outstanding.

"Facility Maturity Date": October 27, 2015.

"FATCA": Sections 1471 through 1474 of the Code, as in effect on the Closing Date (including all regulations or official interpretations thereof issued after the Closing Date).

"FDIC": The Federal Deposit Insurance Corporation, and any successor thereto.

"Federal Funds Rate": For any period, a fluctuating interest *per annum* rate equal, for each day during such period, to the weighted average of the overnight federal funds rates as in Federal Reserve Board Statistical Release H.15(519) or any successor or substitute publication selected by the Administrative Agent (or, if such day is not a Business Day, for the next

preceding Business Day), or, if for any reason such rate is not available on any day, the rate determined, in the sole discretion of the Administrative Agent, to be the rate at which overnight federal funds are being offered in the national federal funds market at 9:00 a.m. (Charlotte, North Carolina time) on such day.

"Fees": The Due Diligence Fee, the Non-Usage Fee and the Structuring Fee.

"Financial Asset": The meaning specified in Section 8-102(a)(9) of the UCC.

"Financial Sponsor": Any Person, including any Subsidiary of such Person, whose principal business activity is acquiring, holding, and selling investments (including controlling interests) in otherwise unrelated companies that each are distinct legal entities with separate management, books and records and bank accounts, whose operations are not integrated with one another and whose financial condition and creditworthiness are independent of the other companies so owned by such Person.

"First Lien Loan": A Loan (i) that is not (and cannot by its terms become) subordinate in right of payment to any obligation of the Obligor in any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings, (ii) that is secured by a pledge of collateral, which security interest is validly perfected and first priority under Applicable Law (subject to liens permitted under the Underlying Instruments) and (iii) the Collateral Administrator determines in good faith that the value of the collateral securing the loan on or about the time of origination equals or exceeds the outstanding principal balance of the Loan plus the aggregate outstanding balances of all other loans of equal or higher seniority secured by the same collateral.

"Fitch": Fitch, Inc. or any successor thereto.

"Fund": New Mountain Partners III, L.P., a Delaware limited partnership.

"Fund Limited Partnership Agreement": The Amended and Restated Limited Partnership Agreement of the Fund, dated as of May 25, 2007, as the same may be amended, and as the same may be further amended, restated, modified or supplemented from time to time.

"Funding Date": With respect to any Advance, the Business Day following the Business Day of receipt by the Administrative Agent and Lender of a Funding Notice and other required deliveries in accordance with Section 2.2.

"Funding Notice": A notice in the form of Exhibit A-1 requesting an Advance, including the items required by Section 2.2.

"GAAP": Generally accepted accounting principles as in effect from time to time in the United States.

"Gains": With respect to any Eligible Loan, the greater of (a) all amounts received by the Borrower in connection with the taxable disposition of an Eligible Loan occurring after the Revolving Period minus the Purchase Price paid by the Borrower for such Eligible Loan and (b) zero.

"General Intangible": The meaning specified in Section 9-102(a)(42) of the UCC.

"General Partner": New Mountain Investments III, L.L.C., and any additional or successor general partners admitted to the Fund or the AIV as a general partner thereof in accordance with the terms of the applicable Limited Partnership Agreement, in each case in its capacity as a general partner of the Fund or the AIV.

"Governmental Authority": With respect to any Person, any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

"Highest Required Investment Category": (i) With respect to ratings assigned by Moody's, "Aa2" or "P-1" for one (1) month instruments, "Aa2" and "P-1" for three (3) month instruments, "Aa3" and "P-1" for six (6) month instruments and "Aa2" and "P-1" for instruments with a term in excess of six (6) months, (ii) with respect to rating assigned by S&P, "A-1" for short-term instruments and "A" for long-term instruments, and (iii) with respect to rating assigned by Fitch (if such investment is rated by Fitch), "F-1+" for short-term instruments and "AAA" for long-term instruments.

"Increased Costs": Any amounts required to be paid by the Borrower to an Affected Party pursuant to Section 2.12.

"Indebtedness": With respect to any Person at any date, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business and payable in accordance with customary trade practices) or that is evidenced by a note, bond, debenture or similar instrument or other evidence of indebtedness customary for indebtedness of that type, (b) all obligations of such Person under leases that have been or should be, in accordance with GAAP, recorded as capital leases, (c) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (d) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (e) all indebtedness, obligations or liabilities of that Person in respect of derivatives, and (f) all obligations under direct or indirect guaranties in respect of obligations (contingent or otherwise) to purchase or otherwise acquire, or to otherwise assure a creditor against loss in respect of, indebtedness or obligations of others of the kind referred to in clauses (a) through (e) above.

"Indemnified Amounts": The meaning specified in Section 10.1(a).

"Indemnified Parties": The meaning specified in Section 10.1(a).

"Independent Manager": The meaning specified in Section 4.1(u)(xxvi).

"Independent Verification": The meaning specified in Section 2.7(d).

"Indorsement": The meaning specified in Section 8-102(a)(11) of the UCC, and "Indorsed" has a corresponding meaning.

"Ineligible Assignee": Any private investment company, investment firm, investment partnership, private equity fund or other private equity investment vehicle.

"Initial Advance": All Advances made on the Closing Date hereunder.

"Insolvency Event": With respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction over such Person or any substantial part of its property in an involuntary case under any applicable Insolvency Law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree, order or appointment shall remain unstayed and in effect for a period of sixty (60) consecutive days, (b) the commencement by such Person of a voluntary case under any applicable Insolvency Law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, (c) the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or (d) the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"Insolvency Laws": The Bankruptcy Code and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, or similar debtor relief laws from time to time in effect affecting the rights of creditors generally.

"Insolvency Proceeding": Any case, action or proceeding before any court or other Governmental Authority relating to any Insolvency Event.

"Instrument": The meaning specified in Section 9-102(a)(47) of the UCC.

"Interest": For each Accrual Period and the Advances Outstanding, the sum of the products (for each day during such Accrual Period) of:

$$IR \times P \times \frac{1}{D}$$

where:

IR = the Interest Rate applicable on such day;

P = the Advances Outstanding on such day; and

D = 360 days (or, to the extent the Interest Rate is the Base Rate, 365 or 366 days, as applicable).

provided that following the occurrence and during the continuation of an Event of Default, 2.00% shall be added to the otherwise applicable Interest for all outstanding amounts; *provided further* that (i) no provision of this Agreement shall require the payment or permit the collection of Interest in excess of the maximum permitted by Applicable Law, (ii) Interest shall not be considered paid by any distribution if at any time such distribution is rescinded or must otherwise be returned for any reason and (iii) such additional 2.00% shall not apply to overdue Interest.

"Interest Collections": All payments of interest on Loans and Permitted Investments, including any payments of accrued interest received on the sale of Loans or Permitted Investments and all payments of principal (including principal prepayments) on Permitted Investments purchased with the proceeds described in this definition, in each case, received in cash by or on behalf of the Borrower or Collateral Custodian; provided that Interest Collections shall not include (x) Sale Proceeds representing accrued interest that are applied toward payment for accrued interest on the purchase of an Additional Loan and (y) interest received in respect of a Loan (including in connection with any sale thereof), which interest was purchased with Principal Collections.

"Interest Collection Account": A Securities Account created and maintained on the books and records of the Collateral Custodian entitled "Interest Collection Account" in the name of the Borrower and subject to the prior Lien of the Administrative Agent for the benefit of the Secured Parties.

"Interest Rate": (a) The LIBOR Rate plus (b) the Applicable Spread; *provided* that, upon and during the occurrence of a Eurodollar Disruption Event, "Interest Rate" shall mean the Base Rate plus the Applicable Spread. Accrued and unpaid interest on Advances shall be payable quarterly on each Payment Date.

"Intermediary": (a) A Clearing Corporation or (b) a Person, including a bank or broker, that in the ordinary course of its business maintains Securities Accounts for others and is acting in that capacity, which in each case is not an Affiliate of the Borrower or the Collateral Administrator.

"Investment": With respect to any Person, any direct or indirect loan, advance or investment by such Person in any other Person, whether by means of share purchase, capital contribution, loan or otherwise, excluding the acquisition of Loans pursuant to the Sale Agreement or otherwise and the acquisition of Equity Securities otherwise permitted by the terms hereof which are related to such Loans.

"Investment Property": The meaning specified in Section 9-102(a)(49) of the UCC.

"IPO Date": The date on which the BDC shall have completed an initial public offering of shares of its common stock to unaffiliated Persons.

"Joinder Supplement": An agreement among the Borrower, a Lender and the Administrative Agent in the form of Exhibit I to this Agreement (appropriately completed) delivered in connection with a Person becoming a Lender hereunder after the Closing Date, as contemplated by Section 2.1(c).

"Lender": Wells Fargo Bank, National Association, and each financial institution which may from time to time become a Lender hereunder by executing and delivering a Joinder Supplement to the Administrative Agent and the Borrower as contemplated by Section 2.1(c).

"LIBOR Rate": For any day during the Revolving Period, (a) the rate per annum appearing on Reuters Screen LIBOR01 Page (or any successor or substitute page) as the London interbank offered rate for deposits in dollars at approximately 11:00 a.m., London time, for such day, provided, if such day is not a Business Day, the immediately preceding Business Day, for a one-month maturity; and (b) if no rate specified in clause (a) of this definition so appears on Reuters Screen LIBOR01 Page (or any successor or substitute page), the interest rate per annum at which dollar deposits of $5,000,000 and for a one-month maturity are offered by the principal London office of Wachovia in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, for such day.

"Lien": Any mortgage, lien, pledge, charge, right, claim, security interest or encumbrance of any kind of or on any Person's assets or properties in favor of any other Person.

"Limited Partnership Agreements": The collective reference to the Fund Limited Partnership Agreement and the AIV Limited Partnership Agreement.

"Loan": Any commercial loan or note originated, acquired or reunderwritten by the Seller in the ordinary course of its business and sold to the Borrower or which the Borrower acquires from a third party.

"Loan File": For each Loan, the following documents or instruments:

(a) copies of each of the documents included in the Required Loan Documents definition;

(b) to the extent applicable to such Loan, the final copies for any related subordination agreement, intercreditor agreement, or similar instruments, assumption or substitution agreement or similar material operative document, in each case together with any amendment or modification thereto;

(c) either (i) copies of any financing statements under the UCC, if any, and any related continuation statements, each showing the Obligor as debtor and each with evidence of filing thereon, or (ii) copies of any such financing statements certified by the Collateral Administrator to be true and complete copies thereof in instances where the original financing statements have been sent to the appropriate public filing office for filing.

"Loan List": The Loan List provided by the Borrower to the Administrative Agent and the Collateral Custodian, in the form of Schedule III hereto, as such list may be amended, supplemented or modified from time to time in accordance with this Agreement.

"Margin Stock": "Margin Stock" as defined under Regulation U.

"Markit": The Markit Loan Pricing service, a division of Markit Group Limited.

"Materially Modified Loan": Any Loan subject to a Material Modification.

"Material Adverse Effect": With respect to any event or circumstance, a material adverse effect on (a) the business, financial condition, operations, performance or

properties of the Borrower, (b) the validity, enforceability or collectability of this Agreement or any other Transaction Document or the validity, enforceability or collectability of the Loans generally or any material portion of the Loans, (c) the rights and remedies of the Administrative Agent, the Lenders and the Secured Parties with respect to matters arising under this Agreement or any other Transaction Document, (d) the ability of each of the Borrower or the Collateral Administrator to perform its obligations under any Transaction Document to which it is a party, or (e) the status, existence, perfection, priority or enforceability of the Administrative Agent's or the other Secured Parties', lien on the Collateral.

"Material Modification": Any amendment or waiver of, or modification or supplement to, an Underlying Instrument governing a Loan executed or effected on or after the date on which the Borrower acquired such Loan that:

(a) reduces or waives any or all of the principal amount of such Loan;

(b) waives one or more interest payments, or permits any interest due in cash to be deferred or capitalized and added to the principal amount of such Loan;

(c) contractually or structurally subordinates such Loan by operation of a priority of payments, turnover provisions, the transfer of assets in order to limit recourse to the related Obligor or the granting of Liens (other than Permitted Liens) on any of the Underlying Assets securing such Loan; or

(d) substitutes, alters or releases (other than as permitted by such Underlying Instruments) the Underlying Assets securing such Loan, and each such substitution, alteration or release, as determined in the sole reasonable discretion of the Administrative Agent, materially and adversely affects the value of such Loan; or

(e) amends, waives, forbears, supplements or otherwise modifies in any way the definition of "Net Senior Leverage Ratio" or "Cash Interest Coverage Ratio" (or any respective comparable definition in its Underlying Instruments) or the definition of any component thereof in a manner that, in the sole discretion of the Administrative Agent, is materially adverse to the Administrative Agent or any Lender.

provided that no Material Modification will be deemed to have occurred with respect to any publicly rated Loan if after the occurrence of any of the events listed in the clauses (b) through (e) of this definition any of S&P, Fitch or Moody's (or, if such Loan is rated by some or all of S&P, Fitch and Moody's each of S&P, Fitch and Moody's) has affirmed its public rating of such Loan, in each case unless such Loan is considered to be "significantly modified" within the meaning of Treasury Regulation §1.1001-3.

"Maximum Availability": At any time, an amount equal to the lesser of (i) the Facility Amount and (ii) the Borrowing Base.

"Measurement Date": Each of the following: (i) the Closing Date; (ii) the date of any Borrower's Notice, (iii) the date that the Collateral Administrator has actual knowledge of the occurrence of any Value Adjustment Event; (iv) the date that the Assigned Value of any Loan is adjusted; (v) the date that is five (5) days prior to each Payment Date, (vi) unless such date is five (5) or fewer days prior to the next Payment Date, the Business Day prior to the date any Principal Collections are to be released pursuant to Section 2.7(b) or Section 2.7(c); (vii) the date on which any Loan included in the latest calculation of the Borrowing Base fails to meet one or more of the criteria listed in the definition of "Eligible Loan" (other than any criteria thereof waived by the Administrative Agent on or prior to the related Funding Date in respect of such Loan) and (viii) the fifth Business Day of each calendar month;.

"Moody's": Moody's Investors Service, Inc., and any successor thereto.

"Multiemployer Plan": A "multiemployer plan" as defined in Section 4001(a)(3) of ERISA that is or was at any time during the current year or the preceding five (5) years contributed to by the Borrower or any ERISA Affiliate on behalf of its employees.

"Net Senior Leverage Ratio": With respect to any Loan for any Relevant Test Period, either (a) the meaning of "Net Senior Leverage Ratio" or comparable definition set forth in the Underlying Instruments for such Loan, or (b) in the case of any Loan with respect to which the related Underlying Instruments do not include a definition of "Net Senior Leverage Ratio" or comparable definition, the ratio of (i) the senior Indebtedness (including, without limitation, such Loan) of the applicable Obligor as of the date of determination *minus* the Unrestricted Cash of such Obligor as of such date to (ii) EBITDA of such Obligor with respect to the applicable Relevant Test Period, as calculated by the Borrower and Collateral Administrator in good faith.

"New Mountain Funds": The Fund and any investment vehicle for which the General Partner or any Affiliate thereof acts as the general partner or investment manager or serves in a similar capacity.

"New Mountain Guardian Advisors BDC": New Mountain Guardian Advisors BDC, L.L.C., it being understood and agreed that, with respect to any provision herein that references New Mountain Guardian Advisors BDC, such provision shall only apply to it at such times as it holds any equity interests in the Collateral Administrator.

"Non-Usage Fee": A fee in an amount equal to the product of (a) the Unused Facility Amount multiplied by (b) the Non-Usage Fee Rate, due and payable pursuant to Section 2.11(a).

"Non-Usage Fee Rate": (a) During the first six (6) months following the Closing Date, 0.50% and (b) thereafter, (i) 0.50% of the first $18,750,000 of the Unused Facility Amount and (ii) a rate per annum equal to the then-current Applicable Spread on the portion of the Unused Facility Amount in excess of $18,750,000.

"Noteless Loan": A Loan with respect to which the Underlying Instruments do not require the Obligor to execute and deliver, and the Obligor has not executed and delivered, a promissory note evidencing any indebtedness created under such Loan.

"Notice of Exclusive Control": The meaning specified in the Securities Account Control Agreement.

"Obligations": The unpaid principal amount of, and interest (including, without limitation, interest accruing after the maturity of the Advances and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) on the Advances and all other obligations and liabilities of the Borrower to the Secured Parties, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, or out of or in connection with any Transaction Document, and any other document made, delivered or given in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Administrative Agent, the Collateral Custodian or to the Lenders that are required to be paid by the Borrower pursuant to the terms of the Transaction Documents) or otherwise.

"Obligor": With respect to any Loan, any Person or Persons obligated to make payments pursuant to or with respect to such Loan, including any guarantor thereof. For purposes of determining whether any Loan is made to an Eligible Obligor, all Eligible Loans included as part of the Collateral or to be transferred to the Collateral, the

Obligor of which is an Affiliate of another Obligor, shall be aggregated with all Eligible Loans of such Affiliate Obligor; for example, if Corporation A is an Affiliate of Corporation B, and the sum of the OLBs of all of Corporation A's Eligible Loans included as part of the Collateral constitutes 10% of the aggregate OLB and the sum of the OLBs of all of Corporation B's Eligible Loans included as part of the Collateral constitutes 10% of the aggregate OLB, the combined Obligor concentration for Corporation A and Corporation B would be 20%.

"Officer's Certificate": A certificate signed by a Responsible Officer of the Person providing the applicable certification, as the case may be.

"OLB": For any Loan as of any date of determination, an amount equal to the lesser of (i) the product of (x) the Assigned Value of such Loan as of such date of determination, multiplied by (y) the principal balance of such Loan outstanding as of such date of determination, and (ii) the principal balance of such Loan outstanding as of such date of determination.

"Opinion of Counsel": A written opinion of counsel, which opinion and counsel are acceptable to the Administrative Agent in its sole discretion.

"Original Cash Interest Coverage Ratio": With respect to any Loan, the Cash Interest Coverage Ratio for such Loan on the date such Loan was approved as an Eligible Loan by the Administrative Agent.

"Original Net Senior Leverage Ratio": With respect to any Loan, the Net Senior Leverage Ratio for such Loan on the date such Loan was approved as an Eligible Loan by the Administrative Agent.

"Partially Eligible Loan": Any Loan which meets each of the criteria listed in the definition of "Eligible Loan" other than clause (B) of such definition, whether or not rejected by the Administrative Agent pursuant to such clause (B).

"Payment Date": Quarterly on the 15th day of each January, April, July and October, or, if such day is not a Business Day, the next succeeding Business Day, commencing January 2011.

"Payment Duties": The meaning specified in Section 7.2(b)(iv).

"Pension Plans": The meaning specified in Section 4.1(x).

"Permitted Financing Arrangement": Any revolving loan or credit facility, derivative instrument or similar financing arrangement (other than this Agreement) that the Collateral Administrator enters into that complies with the requirements set forth in Section 5.4(h).

"Permitted Investments": Negotiable instruments or securities or other investments (which may include obligations or securities of issuers for which the Collateral Custodian or an Affiliate of the Collateral Custodian provides services or receives compensation) that (i) except in the case of demand or time deposits, investments in money market funds and Eligible Repurchase Obligations, are represented by instruments in bearer or registered form or ownership of which is represented by book entries by a Clearing Agency or by a Federal Reserve Bank in favor of depository institutions eligible to have an account with such Federal Reserve Bank who hold such investments on behalf of their customers, (ii) as of any date of determination, mature by their terms on or prior to the Business Day preceding the next Payment Date, and (iii) evidence:

(a) direct obligations of, and obligations fully guaranteed as to full and timely payment by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States);

(b) demand deposits, time deposits or certificates of deposit of depository institutions or trust companies incorporated under the laws of the United States or any state thereof and subject to supervision and examination by federal or state banking or depository institution authorities; *provided* that at the time of the Borrower's investment or contractual commitment to invest therein, the commercial paper, if any, and short-term unsecured debt obligations (other than such obligation whose rating is based on the credit of a Person other than such institution or trust company) of such depository institution or trust company shall have a credit rating from Fitch and each Rating Agency in the Highest Required Investment Category granted by Fitch and such Rating Agency;

(c) commercial paper, or other short term obligations, having, at the time of the Borrower's investment or contractual commitment to invest therein, a rating in the Highest Required Investment Category granted by each Rating Agency and Fitch;

(d) demand deposits, time deposits or certificates of deposit that are fully insured by the FDIC and either have a rating on their certificates of deposit or short-term deposits from Moody's and S&P of "P-1" and "A-1", respectively, and if rated by Fitch, from Fitch of "F-1+";

(e) notes that are payable on demand or bankers' acceptances issued by any depository institution or trust company referred to in clause (b) above;

(f) investments in taxable money market funds or other regulated investment companies having, at the time of the Borrower's investment or contractual commitment to invest therein, a rating of the Highest Required Investment Category from each Rating Agency and Fitch (if rated by Fitch);

(g) time deposits (having maturities of not more than 90 days) by an entity the commercial paper of which has, at the time of the Borrower's investment or contractual commitment to invest therein, a rating of the Highest Required Investment Category granted by each Rating Agency and Fitch; or

(h) Eligible Repurchase Obligations with a rating acceptable to the Rating Agencies and Fitch, which in the case of S&P, shall be "A-1" and in the case of Fitch shall be "F-1+".

The Collateral Custodian may, pursuant to the direction of the Collateral Administrator or the Administrative Agent, as applicable, purchase or sell to itself or an Affiliate, as principal or agent, the Permitted Investments described above.

"Permitted Liens": Any of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (a) Liens for Taxes if such Taxes shall not at the time be due and payable or if a Person shall currently be contesting the validity thereof in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of such Person, (b) Liens imposed by law, such as materialmen's, warehousemen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens, arising by operation of law in the ordinary course of business for sums that are not overdue or are being contested in good faith and (c) Liens granted pursuant to or by the Transaction Documents.

"Person": An individual, partnership, corporation, limited liability company, joint stock company, trust (including a statutory or business trust), unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

"Priced Loan": Any Loan for which a quoted price is available from Markit.

"Prime Rate": The rate announced by Wells Fargo from time to time as its prime rate in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Wells Fargo or any other specified financial institution in connection with extensions of credit to debtors.

"Principal Collections": All amounts received by the Borrower or the Collateral Custodian that are not Interest Collections to the extent received in cash by or on behalf of the Borrower or the Collateral Custodian.

"Principal Collection Account": A Securities Account created and maintained on the books and records of the Collateral Custodian entitled "Principal Collection Account" in the name of the Borrower and subject to the prior Lien of the Administrative Agent for the benefit of the Secured Parties.

"Pro Rata Share": With respect to a Lender, the percentage obtained by dividing the Commitment of such Lender (as determined pursuant to the definition of Commitment) by the aggregate Commitments of all the Lenders (as determined pursuant to the definition of Commitment).

"Proceeds": With respect to any Collateral, all property that is receivable or received when such Collateral is collected, sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating to such Collateral.

"Purchase Price": With respect to any Loan, an amount (expressed as a percentage of par) equal to (i) the purchase price (or, if different principal amounts of such Loan were purchased at different purchase prices, the weighted average of such purchase prices) paid by the Seller or the Borrower (as applicable) for such Loan (exclusive of any interest, Accreted Interest and original issue discount) divided by (ii) the principal balance of such Loan outstanding as of the date of such purchase (exclusive of any interest, Accreted Interest and original issue discount).

"Qualified Institution": A depository institution or trust company organized under the laws of the United States of America or any one of the States thereof or the District of Columbia (or any domestic branch of a foreign bank), (i)(a) that has either (1) a long-term unsecured debt rating of "A" or better by S&P and "A2" or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of "A-1" or better by S&P or "P-1" or better by Moody's, (b) the parent corporation of which has either (1) a long-term unsecured debt rating of "A" or better by S&P and "A2" or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of "A-1" or better by S&P and "P-1" or better by Moody's or (c) is otherwise acceptable to the Administrative Agent and (ii) the deposits of which are insured by the FDIC.

"Rating Agency": Each of S&P, Fitch and Moody's.

"Reinvestment Notice": Each notice required to be delivered by the Borrower in respect of any reinvestment of Principal Collections under Section 2.7(b), in the form of Exhibit A-3.

"Register": The meaning specified in Section 12.16(b).

"Registered": With respect to any registration-required obligation within the meaning of Section 163(f)(2) of the Code, a debt obligation that was issued after July 18, 1984 and that is in registered form within the meaning of Section 5f.103-1(c) of the Treasury Regulations.

"Regulation U": Regulation U of the Board of Governors of the Federal Reserve System, 12 C.F.R. §221, or any successor regulation.

"Relevant Test Period": With respect to any Loan, the relevant test period for the calculation of Net Senior Leverage Ratio or Cash Interest Coverage Ratio, as applicable, for such Loan in accordance with the related Underlying Instruments or, if no such period is provided for therein, each period of the last four consecutive reported fiscal quarters of the principal Obligor on such Loan; *provided* that with respect to any Loan for which the relevant test period is not provided for in the related Underlying Instruments, if four (4) consecutive fiscal quarters have not yet elapsed since the closing date of the relevant Underlying Instruments, "Relevant Test Period" shall initially include the period from such closing date to the end of the fourth fiscal quarter thereafter, and shall subsequently include each period of the last four (4) consecutive reported fiscal quarters of such Obligor.

"Repayment Notice": Each notice required to be delivered by the Borrower in respect of any reduction in the Facility Amount or repayment of Advances Outstanding, in the form of Exhibit A-2.

"Reportable Event": The meaning specified in Section 4.1(x).

"Reporting Date": The date that is two (2) Business Days prior to the 15th of each calendar month (unless in such month a Payment Date occurs in which case two (2) Business Days prior to such Payment Date), with the first Reporting Date occurring on November 11, 2010.

"Required Advance Reduction Amount": As of any Measurement Date, an amount equal to the greater of (a)(i) Advances Outstanding on such day minus (ii) the Maximum Availability on such day and (b) zero.

"Required Lenders": The Lenders representing an aggregate of more than 50% of the aggregate Commitments of the Lenders then in effect; *provided* that for the purposes of determining the Required Lenders, in the event that a Lender fails to provide funding for an Advance hereunder for which all conditions precedent have been satisfied, such Lender, as applicable, shall not constitute a Required Lender hereunder (and the Commitment of such Lender, as applicable, shall be disregarded for purposes of determining whether the consent of the Required Lenders has been obtained).

"Required Loan Documents":

For each Loan, the following documents or instruments:

(a) for each Loan other than a Noteless Loan, (1) a copy of the related executed promissory note or, in the case of a lost note, a copy of the executed underlying promissory note accompanied by an original executed affidavit and indemnity endorsed by the Borrower in blank (and an unbroken chain of endorsements from each prior holder of such promissory note to the Borrower), or (2) if such promissory note is not issued in the name of the Borrower, an executed copy of each assignment and assumption agreement, transfer document or instrument relating to such Loan evidencing the assignment of such Loan either (x) from the Seller to the Borrower and from the Borrower in blank, or (y) from any prior third party owner thereof directly to the Borrower and from the Borrower in blank; and

(b) to the extent applicable for the related Loan, copies of the executed (a) guaranty, (b) credit agreement, (c) loan agreement, (d) note purchase agreement, (e) sale and servicing agreement, (f) acquisition agreement (or similar agreement) and (g) security agreement; *provided* that to the extent that final copies of the foregoing documents are not available as of the related Funding Date, the latest available draft copies with the final copies to be delivered within ten (10) Business Days after such Funding Date.

"Required Minimum Equity Amount": The greater of (x)(I) at any times prior to the SPV Merger Date, $28,125,000 and (II) thereafter, $30,000,000 and (y) the aggregate OLB of the Loans of the three (3) largest Obligors forming part of the Collateral.

"Required Reports": Collectively, the Borrowing Base Certificate and the annual statements as to compliance and the annual independent public accountant's report.

"Responsible Officer": With respect to any Person, any duly authorized officer of such Person with direct responsibility for the administration of this Agreement and also, with respect to a particular matter, any other duly authorized officer of such Person to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"Restricted Payment": (i) Any dividend or other distribution, direct or indirect, on account of any class of membership interests of the Borrower now or hereafter outstanding, except a dividend paid solely in interests of that class of membership interests or in any junior class of membership interests of the Borrower; (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any class of membership interests of the Borrower now or hereafter outstanding, and (iii) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire membership interests of the Borrower now or hereafter outstanding.

"Review Criteria": The meaning specified in Section 7.2(b)(i).

"Revolving Period": The period commencing on the Closing Date and ending on the day preceding the earlier to occur of the Revolving Period End Date or the Termination Date.

"Revolving Period End Date": The earliest to occur of (a) October 27, 2013 and (b) the date of the declaration of the Revolving Period End Date pursuant to Section 9.2(a).

"Revolving Period Termination Date": The date of the declaration of the Termination Date pursuant to Section 9.2(a).

"S&P": Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

"Sale Agreement": The Purchase and Sale Agreement, dated as of the date hereof, in substantially the form of Exhibit H, between the Seller and the Borrower, as amended, modified, waived, supplemented, restated or replaced from time to time.

"Sale Proceeds": With respect to any Loan, all proceeds received as a result of the sale of such Loan, net of all out-of-pocket expenses of the Borrower, the Collateral Administrator and the Collateral Custodian incurred in connection with any such sale.

"Scheduled Payment": Each scheduled payment of principal and/or interest required to be made by an Obligor on the related Loan, as adjusted pursuant to the terms of the related Underlying Instruments, if applicable.

"Secured Party": (i) Each Lender, (ii) the Administrative Agent and (iii) the Collateral Custodian.

"Securities Account": The meaning specified in Section 8-501(a) of the UCC.

"Securities Account Control Agreement": The Account Control Agreement, dated as of the date hereof, among the Borrower, as the pledgor, the Collateral Administrator, the Administrative Agent and Wells Fargo, as the Collateral Custodian and as the Securities Intermediary, as the same may be amended, modified, waived, supplemented or restated from time to time.

"Securities Act": The U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Intermediary": (i) A Clearing Corporation; or (ii) a Person, including a bank or broker, that in the ordinary course of its business maintains Securities Accounts for others and is acting in that capacity.

"Security Certificate": The meaning specified in Section 8-102(a)(16) of the UCC.

"Security Entitlement": The meaning specified in Section 8-102(a)(17) of the UCC.

"Seller": New Mountain Guardian (Leveraged), L.L.C., in its individual capacity as seller of Loans to the Borrower.

"Solvent": As to any Person at any time, having a state of affairs such that all of the following conditions are met: (a) the fair value of the property of such Person is greater than the amount of such Person's liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated for purposes of Section 101(32) of the Bankruptcy Code; (b) the present fair saleable value of the property of such Person in an orderly liquidation of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and other liabilities as they become absolute and matured; (c) such Person is able to realize upon its property and pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business; (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; and (e) such Person is not engaged in a business or a transaction, and does not propose to engage in a business or a transaction, for which such Person's property assets would constitute unreasonably small capital.

"SPV Merger": A series of merger agreements, contribution agreements and/or similar formation agreements pursuant to which (i) the Collateral Administrator shall acquire the investment portfolio of New Mountain Guardian Debt Funding, L.L.C., an indirect, wholly owned subsidiary of the AIV, and the investment portfolio of New Mountain Guardian Partners, L.P. and its Subsidiaries (thereby owning all existing assets of such entities and assuming all existing liabilities of such entities, including the

outstanding Indebtedness financing such investment portfolios) excluding the assets and liabilities of the Borrower and New Mountain Guardian Partners SPV Funding, L.L.C., (ii) the Collateral Administrator shall become owned by the BDC and AIV Holding, (iii) the Collateral Administrator shall continue to hold an equity investment in the Borrower and (iv) New Mountain Guardian Partners SPV Funding, L.L.C. merges with and into the Borrower, with the Borrower being the survivor of such merger.

"SPV Merger Date": The date on which the SPV Merger occurs.

"Structuring Fee": An amount equal to $1,406,250, due and payable pursuant to Section 2.11(c).

"Subsidiary": As to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person.

"Taxable Entity": (i) At any time prior to the SPV Merger Date, the AIV and (ii) thereafter, the BDC and AIV Holding.

"Taxable Entity Agreement": (i) At any time prior to the SPV Merger Date, the AIV Limited Partnership Agreement and (ii) thereafter, the collective reference to the organizational documents of the BDC and AIV Holding.

"Taxes": Any present or future taxes, levies, imposts, duties, charges, assessments or fees of any nature (including interest, penalties, and additions thereto) that are imposed by any Governmental Authority.

"Termination Date": The earliest of (a) the date of the termination in whole of the Facility Amount pursuant to Section 2.3(a), (b) the Facility Maturity Date or (c) the date of the declaration of the Termination Date or the date of the automatic occurrence of the Termination Date pursuant to Section 9.2(a).

"Transaction": The meaning specified in Section 3.2.

"Transaction Documents": This Agreement, the Sale Agreement, the Securities Account Control Agreement, the AIV Indemnity Agreement, each Variable Funding Note, any Joinder Supplement, any Transferee Letter and the Collateral Custodian Fee Letter.

"Transferee Letter": The meaning specified in Section 12.16.

"UCC": The Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

"Uncertificated Security": The meaning specified in Section 8-102(a)(l8) of the UCC.

"Underlying Assets": With respect to a Loan, any property or other assets designated and pledged as collateral to secure repayment of such Loan, including, without limitation, to the extent provided for in the relevant Underlying Instruments, a pledge of the stock, membership or other ownership interests in the related Obligor and all Proceeds from any sale or other disposition of such property or other assets.

"Underlying Instruments": The loan agreement, credit agreement, indenture or other agreement pursuant to which a Loan or Permitted Investment has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Loan or Permitted Investment or of which the holders of such Loan or Permitted Investment are the beneficiaries.

"United States": The United States of America.

"Unrestricted Cash": The meaning of "Unrestricted Cash" or any comparable definition in the Underlying Instruments for each Loan, and in any case that "Unrestricted Cash" or such comparable definition is not defined in such Underlying Instruments, all cash available for use for general corporate purposes and not held in any reserve account or legally or contractually restricted for any particular purposes or subject to any lien (other than blanket liens permitted under or granted in accordance with such Underlying Instruments), as reflected on the most recent financial statements of the relevant Obligor that have been delivered to the Borrower.

"Unused Facility Amount": (a) At any time prior to the SPV Merger Date, (i) $93,750,000 minus (ii) the Advances Outstanding at such time and (b) at any time on or after the SPV Merger Date, (i) $100,000,000 minus (ii) the Advances Outstanding at such time.

"USA Patriot Act": The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

"Value Adjustment Event": With respect to any Loan, the occurrence of any one or more of the following events after the related Funding Date:

(a) the Net Senior Leverage Ratio for any Relevant Test Period of the related Obligor with respect to such Loan is (i) greater than 3.50 and (ii) greater than 0.50 higher than the Original Net Senior Leverage Ratio;

(b) the Cash Interest Coverage Ratio for any Relevant Test Period of the related Obligor with respect to such Loan is (i) less than 1.50 to 1.00 and (ii) less than 85% of the Original Cash Interest Coverage Ratio;

(c) a payment default under such Loan (after giving effect to any applicable grace or cure periods, but in any case not to exceed five (5) Business Days, in accordance with the Underlying Instruments);

(d) a default under such Loan, together with the election by any Person or group of Persons authorized to exercise any rights or remedies by the applicable Underlying Instruments (including, without limitation, the Borrower) to enforce any of their respective rights or remedies (including, without limitation, acceleration of the Loan) pursuant to the applicable Underlying Instruments;

(e) the occurrence of a Material Modification with respect to such Loan;

(f) an Insolvency Event with respect to the related Obligor; or

(g) the failure to deliver (i) with respect to quarterly reports, any financial statements (including unaudited financial statements) to the Administrative Agent sufficient to calculate either the Net Senior Leverage Ratio or the Cash Interest Coverage Ratio of the related Obligor by the date that is no later than seventy (70) days

after the end of the first, second or third quarter of any fiscal year and (ii) with respect to annual reports, any audited financial statements to the Administrative Agent sufficient to calculate either the Net Senior Leverage Ratio or the Cash Interest Coverage Ratio of the related Obligor by the date that is no later than one hundred and thirty (130) days after the end of any fiscal year.

"Variable Funding Note" or "VFN": The meaning specified in Section 2.1.

"Wells Fargo": Wells Fargo Bank, National Association, a national banking association, in its individual capacity, and its successors and assigns.

"WFBNA": Wells Fargo Bank, National Association, in its capacity as a Lender.

"WFS": The meaning specified in the Preamble.

Section 1.2. Other Terms.

All accounting terms used but not specifically defined herein shall be construed in accordance with GAAP. All terms used in Article 9 of the UCC in the State of New York, and used but not specifically defined herein, are used herein as defined in such Article 9.

Section 1.3. Computation of Time Periods.

Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."

Section 1.4. Limited Partnership Agreements.

Each provision or definition (including defined terms referenced herein) in either Limited Partnership Agreement which provision or definition is used in, incorporated by reference in or otherwise has any effect on a defined term or provision in this Agreement or any other Transaction Document shall be deemed to be references to such defined term or provision (as applicable) in the applicable Limited Partnership Agreement, as the same is in effect as of the date hereof; *provided* that, upon any amendment to either Limited Partnership Agreement, the

Administrative Agent, in its sole discretion, may choose to apply any such definition or provision as amended to this Agreement or any of the Transaction Documents, in each case in its sole discretion.

Section 1.5. Interpretation.

In each Transaction Document, unless a contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by the Transaction Documents;

(c) reference to any gender includes each other gender;

(d) reference to day or days without further qualification means calendar days;

(e) reference to any time means Charlotte, North Carolina time;

(f) reference to any agreement (including any Transaction Document), document or instrument means such agreement, document or instrument as amended, modified, waived, supplemented, restated or replaced and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of the other Transaction Documents, and reference to any promissory note includes any promissory note that is an extension or renewal thereof or a substitute or replacement therefor; and

(g) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any Section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such Section or other provision.

ARTICLE II.

THE VARIABLE FUNDING NOTE

Section 2.1. The Variable Funding Notes.

(a) On the terms and conditions hereinafter set forth, the Borrower shall deliver (i) on the Closing Date, to each Lender at the applicable address set forth on Annex A to this Agreement, and (ii) on the effective date of any Joinder Supplement, to each additional Lender, at the address set forth in the applicable Joinder Supplement, a duly executed variable funding note in substantially the form of Exhibit B (each a "Variable Funding Note" or "VFN"), dated as of the date of this Agreement, each in a face amount equal to the applicable Lender's Commitment as of the Closing Date or the effective date of any Joinder Supplement, as applicable, and otherwise duly completed. Each Variable Funding Note shall evidence

obligations in an amount equal, at any time, to the outstanding Advances by such Lender under the applicable VFN on such day.

(b) During the Revolving Period, the Borrower may, at its option, request the Lenders to make advances of funds (each, an "Advance") under the VFNs pursuant to a Funding Notice, in an aggregate amount up to the Availability as of the proposed Funding Date of the Advance; *provided*, *however*, that no Lender shall be obligated to make any Advance on or after the date that is two (2) Business Days prior to the earlier to occur of the Revolving Period End Date or the Termination Date. Following the receipt of a Funding Notice, subject to the terms and conditions hereinafter set forth, during the Revolving Period, the Lenders shall fund such Advance. Notwithstanding anything to the contrary herein, no Lender shall be obligated to provide the Borrower with aggregate funds in connection with an Advance that

would exceed the least of (i) such Lender's unused Commitment then in effect, (ii) the aggregate unused Commitments then in effect and (iii) the Availability on the proposed Funding Date of such Advance.

(c) The Borrower may, with the written consent of the Administrative Agent, add additional Persons as Lenders and increase the Commitments hereunder; *provided* that the Commitment of any Lender may only be increased with the prior written consent of such Lender and the Administrative Agent. Each additional Lender shall become a party hereto by executing and delivering to the Administrative Agent and the Borrower a Joinder Supplement and a representation letter in the form of Exhibit I.

Section 2.2. Procedures for Advances by the Lenders.

(a) Subject to the limitations set forth in Section 2.1(b), the Borrower may request an Advance from the Lenders by delivering to the Lenders at certain times the information and documents set forth in this Section 2.2.

(b) No later than 3:00 p.m. (Charlotte, North Carolina time) on the Business Day prior to the proposed Funding Date, the Borrower (or the Collateral Administrator on its behalf) shall deliver:

(i) to the Administrative Agent and the Collateral Custodian written notice of such proposed Funding Date (including a duly completed Borrowing Base Certificate updated to the date such Advance is requested and giving pro forma effect to the Advance requested and the use of the proceeds thereof);

(ii) to the Administrative Agent a description of the Obligor and the Loan(s) to be funded by the proposed Advance;

(iii) to the Administrative Agent a wire disbursement and authorization form, to the extent not previously delivered;

(iv) to the Administrative Agent and the Collateral Custodian a duly completed Funding Notice which shall (a) specify the desired amount of such Advance, which amount must be at least equal to $500,000, to be allocated to each Lender in accordance with its Pro Rata Share, (b) specify the proposed Funding Date of such Advance, (c) specify the Loan(s)

to be financed on such Funding Date (including the appropriate file number, Obligor, original loan balance, OLB, Assigned Value and Purchase Price for each Loan and identifying the proposed Advance Rate applicable to each such Loan) and (d) include a representation that all conditions precedent for an Advance described in Article III hereof have been met. Each Funding Notice shall be irrevocable. If any Funding Notice is received by the Administrative Agent and each Lender after 3:00 p.m. (Charlotte, North Carolina time) on the Business Day prior to the Business Day for which such Advance is requested or on a day that is not a Business Day, such Funding Notice shall be deemed to be received by the Administrative Agent and each Lender at 9:00 a.m. (Charlotte, North Carolina time) on the next Business Day.

(c) On the proposed Funding Date, subject to the limitations set forth in Section 2.1(b) and upon satisfaction of the applicable conditions set forth in Article III, each Lender shall make available to the Borrower in same day funds, by wire transfer to the account designated by Borrower in the Funding Notice given pursuant to this Section 2.2, an amount equal to such Lender's Pro Rata Share of the least of (i) the amount requested by the Borrower for such Advance, (ii) the aggregate unused Commitments then in effect and (iii) an amount equal to the Availability on such Funding Date.

(d) On each Funding Date, the obligation of each Lender to remit its Pro Rata Share of any such Advance shall be several from that of each other Lender and the failure of any Lender to so make such amount available to the Borrower shall not relieve any other Lender of its obligation hereunder.

Section 2.3. Reduction of the Facility Amount; Optional Repayments.

(a) The Borrower shall be entitled at its option, at any time prior to the occurrence of an Event of Default, to terminate the Facility Amount in whole or reduce in part the portion of the Facility Amount that exceeds the sum of the Advances Outstanding, accrued Interest and Breakage Costs; *provided* that (i) the Borrower shall give at least one (1) Business Day's prior written notice to the Administrative Agent of such termination or reduction in the form of Exhibit A-2; (ii) any partial reduction of the Facility Amount shall be in an amount equal to $5,000,000 and in integral multiples of $500,000 in excess thereof and (iii) in the case of such termination or reduction on or prior to October 27, 2013, the Borrower shall pay to the Administrative Agent the applicable Commitment Reduction Fee. Any request for a reduction or termination pursuant to this Section 2.3(a) shall be irrevocable. The Commitment of each Lender shall be reduced by an amount equal to its Pro Rata Share (prior to giving effect to any reduction of Commitments hereunder) of the aggregate amount of any reduction under this Section 2.3(a). Notwithstanding anything in this Section 2.3(a) to the contrary, if (A) the Collateral Administrator elects to be regulated as a business development company under Section 54 of the 1940 Act, (B) the Collateral Administrator concludes in good faith based on the guidance of the Securities and Exchange Commission and/or the guidance of its legal or accounting advisors that it is advisable to consolidate the Obligations onto its balance sheet for financial reporting purposes, (C) substantially contemporaneously with the conclusion of the Collateral Administrator in clause (B), the Administrative Agent receives a written statement from the Collateral Administrator confirming that such consolidation is advisable and will be undertaken by the Collateral Administrator (the "Consolidation Confirmation") and (D) the Borrower terminates (1) at least fifty (50) percent of the Facility Amount within three (3) months

after receipt by the Administrative Agent of the Consolidation Confirmation and (2) one hundred (100) percent of the Facility Amount within six (6) months after receipt by the Administrative Agent of the Consolidation Confirmation, then the Commitment Reduction Fee in connection with such termination of the Facility Amount shall be deemed to be zero; provided that, for the avoidance of doubt, if the Borrower fails to terminate the entire Facility Amount within six (6) months after receipt by the Administrative Agent of the Consolidation Confirmation then the applicable Commitment Termination Fee shall be payable with respect to all of the Facility Amount terminated pursuant to this Section 2.3(a).

(b) The Borrower shall be entitled at its option, at any time, to reduce Advances Outstanding*provided* that (i) the Borrower shall give at least one (1) Business Day's prior written notice of such reduction in the form of Exhibit A-2 to the Administrative Agent and (ii) any reduction of Advances Outstanding (other than with respect to repayments of Advances Outstanding made by the Borrower to reduce Advances Outstanding such that the Required Advance Reduction Amount is equal to zero) shall be in a minimum amount of $500,000 and in integral multiples of $100,000 in excess thereof. In connection with any such reduction of Advances Outstanding, the Borrower shall deliver to each Lender (1) instructions to reduce such Advances Outstanding and (2) funds sufficient to repay such Advances Outstanding together with all accrued Interest and any Breakage Costs; *provided* that, the Advances Outstanding will not be reduced unless sufficient funds have been remitted to pay all such amounts in the succeeding sentence in full. The Administrative Agent shall apply amounts received from the Borrower pursuant to this Section 2.3(b) to the *pro rata* reduction of the Advances Outstanding, to the payment of accrued Interest on the amount of the Advances Outstanding to be repaid and to the payment of any Breakage Costs. Any Advance so repaid may, subject to the terms and conditions hereof, be reborrowed during the Revolving Period. Any Repayment Notice relating to any repayment pursuant to this Section 2.3(b) shall be irrevocable.

Section 2.4. Determination of Interest.

The Administrative Agent shall determine the Interest (including unpaid Interest related thereto, if any, due and payable on a prior Payment Date) to be paid by the

Borrower with respect to each Advance on each Payment Date for the related Accrual Period and shall advise the Collateral Administrator thereof on the third Business Day prior to such Payment Date.

Section 2.5. Notations on Variable Funding Notes.

Each Lender is hereby authorized to enter on a schedule attached to the VFN with respect to such Lender, as applicable, a notation (which may be computer generated) or to otherwise record in its internal books and records or computer system with respect to each Advance under the VFN made by the applicable Lender of (a) the date and principal amount thereof and (b) each payment and repayment of principal thereof. Any such recordation shall, absent manifest error, constitute prima facie evidence of the outstanding Advances, as applicable, under each VFN. The failure of any Lender to make any such notation on the schedule attached to the applicable VFN shall not limit or otherwise affect the obligation of the Borrower to repay the Advances in accordance with the terms set forth herein.

Section 2.6. Principal Repayments.

(a) Unless sooner prepaid pursuant to the terms hereof, the Advances Outstanding shall be repaid in full on the Termination Date or on such later date as is agreed to in writing by the Borrower, the Collateral Administrator, the Administrative Agent and the Lenders.

(b) The Required Advance Reduction Amount may be reduced to zero by the Borrower taking one or more of the following actions:

(i) posts cash collateral in Dollars to the Principal Collection Account;

(ii) repays Advances Outstanding; or

(iii) posts additional Eligible Loans as Collateral; *provided* that the amount by which the Required Advance Reduction Amount shall be reduced pursuant to any such additional Eligible Loans shall be the Assigned Value of such Eligible Loans.

(c) All repayments of any Advance or any portion thereof shall be made together with payment of (i) all Interest accrued and unpaid on the amount repaid to (but excluding) the date of such repayment and (ii) all Breakage Costs.

Section 2.7. Settlement Procedures.

(a) On each Payment Date, so long as no Event of Default has occurred and is continuing, the Collateral Administrator shall direct the Collateral Custodian to pay pursuant to the latest Borrowing Base Certificate (and the Collateral Custodian shall make payment from the Interest Collection Account to the extent of Available Funds, in reliance on the information set forth in such Borrowing Base Certificate) to the following Persons, the following amounts in the following order of priority:

(1) to the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees;

(2) to the Collateral Administrator, in an amount equal to any accrued and unpaid Collateral Administration Fees;

(3) *pro rata* to each Lender, in an amount equal to any accrued and unpaid Interest;

(4) *pro rata* to (a) each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee and Breakage Costs and (b) to the Administrative Agent, any applicable Lender, the Collateral Custodian, the Affected Parties, the Indemnified Parties, or the Secured Parties, as applicable, all Fees and other amounts, including any Increased Costs, but other than the principal of Advances Outstanding, then due under this Agreement;

(5) *pro rata* to each Lender, if the Required Advance Reduction Amount is greater than zero, an amount necessary to reduce the Required Advance Reduction Amount to zero, *pro rata* in accordance with the amount of Advances Outstanding hereunder;

(6) to the applicable party, to pay all other Administrative Expenses;

(7) to the applicable Governmental Authority, any Tax or withholding Tax which, if not paid, could result in a Lien on the assets of the Borrower; and

(8) any remaining amounts shall be distributed to the Borrower.

(b) On each Payment Date, so long as no Event of Default has occurred and is continuing, the Collateral Administrator shall direct the Collateral Custodian to pay pursuant to the latest Borrowing Base Certificate (and the Collateral Custodian shall make payment from the Principal Collection Account to the extent of Available Funds, in reliance on the information set forth in such Borrowing Base Certificate) to the following Persons, the following amounts in the following order of priority:

(1) to the extent not paid pursuant to Section 2.7(a), to the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees;

(2) to the extent not paid pursuant to Section 2.7(a), to the Collateral Administrator, in an amount equal to any accrued and unpaid Collateral Administration Fees;

(3) to the extent not paid pursuant to Section 2.7(a), *pro rata* to each Lender, in an amount equal to any accrued and unpaid Interest;

(4) to the extent not paid pursuant to Section 2.7(a), *pro rata* to (a) each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee and Breakage Costs and (b) to the Administrative Agent, any applicable Lender, the Collateral Custodian, the Affected Parties, the Indemnified Parties, or the Secured Parties, all other amounts, including any Increased Costs, but other than the principal of Advances Outstanding, then due under this Agreement;

(5) to the extent not paid pursuant to Section 2.7(a), *pro rata* to each Lender, if the Required Advance Reduction Amount is greater than zero, an amount necessary to reduce the Required Advance Reduction Amount to zero, *pro rata* in accordance with the amount of Advances Outstanding hereunder;

(6) during the Revolving Period, as directed by the Collateral Administrator, to repay Advances Outstanding, return cash to the Principal Collections Account and/or to be paid to the Borrower;

(7) after the end of the Revolving Period, to the Borrower in an amount sufficient to pay when due any Tax arising from Gains (including as a result of market discount) incurred prior to the SPV Merger Date (A) in respect of which no distribution has previously been made pursuant to this Section 2.7(b)(7) and (B) not subject to Independent Verification, calculated in accordance with the assumptions set forth in Section 6.5 of the AIV Limited Partnership Agreement as of the date hereof; *provided*, however, that the aggregate amount of such Gains for purposes of such calculation shall be net of any losses of the Borrower or of the AIV, against which such Gains can be offset for tax purposes as of the date of such determination (including any losses from prior periods after the Revolving Period which were not utilized to offset Gains in such prior period);

(8) after the end of the Revolving Period, to the Lenders to pay the Advances Outstanding;

(9) to the extent not paid pursuant to Section 2.7(a), to the applicable party to pay all other Administrative Expenses;

(10) to the extent not paid pursuant to Section 2.7(b)(7), to the applicable Governmental Authority, any Tax or withholding Tax which, if not paid, could result in a Lien on the assets of the Borrower; and

(11) any remaining amounts shall be distributed to the Borrower.

(c) The Collateral Administrator may, in its sole discretion, direct the Collateral Custodian to make a payment to the Borrower from the Principal Collection Account on any Business Day other than a Payment Date.

(d) On each Borrowing Base Certificate delivered on any Payment Date where a distribution is requested pursuant to Section 2.7(b)(7), the Borrower shall set forth an itemized computation of the amount which would be distributed pursuant to Section 2.7(b)(7) (assuming sufficient Available Funds after distributions per Section 2.7(b)(1)-(6)) including calculation in reasonable detail regarding each component of such calculation as set forth herein and in the related Borrowing Base Certificate. Such Borrowing Base Certificate shall set forth the amount of Gains (minus any such Gains for which a distribution has previously been made pursuant to Section 2.7(b)(7)) pursuant to which such Borrowing Base Certificate is being delivered, the amount of losses of the Borrower and the AIV available to offset such Gains, the applicable tax rates used in calculating such Taxes, and all other factors used to calculate such Tax. Upon at least one (1) Business Day's notice to the Borrower and the Collateral Custodian prior to the relevant Payment Date, the Administrative Agent may request independent verification of the inputs and calculations set forth in such Borrowing Base Certificate from an independent accounting firm (an "Independent Verification"), selected by the Administrative Agent, and reasonably acceptable to the Borrower and the AIV. Such accounting firm shall be required to provide such verification within thirty (30) days of its engagement, and the determination of such accounting firm shall be final and binding on all parties. During the verification procedure the Collateral Custodian shall hold all Available Funds otherwise

distributable on the Payment Date pursuant to Section 2.7(b)(7) in escrow for distribution as soon as such verification is finalized. All parties to this Agreement shall cooperate fully with such accounting firm and provide, subject to confidentiality arrangements, all information and data requested by such accounting firm. The fee for such accounting firm's verification shall be borne by the Administrative Agent, unless the determination concludes that there is a five (5) percent or greater overstatement in the amount of distribution set forth in such Borrowing Base Certificate, in which case the fee will be borne by the Borrower and treated as an Administrative Expense.

Section 2.8. Alternate Settlement Procedures.

On each Business Day following the occurrence of and during the continuation of an Event of Default, the Collateral Administrator (or, after delivery of a Notice of Exclusive Control, the Administrative Agent) shall direct the Collateral Custodian to pay pursuant to the latest Borrowing Base Certificate (and the Collateral Custodian shall make payment from the Collection Account to the extent of Available Funds, in reliance on the information set forth in such Borrowing Base Certificate) to the following Persons, the following amounts in the following order of priority:

(1) to the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees;

(2) to the Collateral Administrator, in an amount equal to any accrued and unpaid Collateral Administration Fees;

(3) *pro rata* to each Lender, in an amount equal to any accrued and unpaid Interest;

(4) *pro rata* to (a) each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee and Breakage Costs and (b) to the Administrative Agent, any applicable Lender, the Collateral Custodian, the Affected Parties, the Indemnified Parties, or the Secured Parties, as applicable, all other Fees and amounts, including any Increased Costs, but other than the principal of Advances Outstanding, then due under this Agreement;

(5) *pro rata* to the Lenders to pay Advances Outstanding;

(6) to the applicable party, to pay all other Administrative Expenses;

(7) to the applicable Governmental Authority, any Tax or withholding Tax which, if not paid, could result in a Lien on the assets of the Borrower; and

(8) any remaining amounts shall be distributed to the Borrower.

Section 2.9. Collections and Allocations.

(a) Collections. The Collateral Administrator shall promptly identify any collections received as being on account of Interest Collections or Principal Collections and shall transfer, or cause to be transferred, all Collections received directly by it to the appropriate Collection Account by the close of business on the Business Day after such Collections are received. Upon the transfer of Collections to the Collection Account, the Collateral Administrator shall segregate Principal Collections and Interest Collections and transfer the same to the Principal Collection Account and the Interest Collection Account, respectively. The Collateral Administrator shall further include a statement as to the amount of Principal Collections and Interest Collections on deposit in the Principal Collection Account and the Interest Collection Account on

each Reporting Date in the Borrowing Base Certificate delivered pursuant to Section 5.1(p).

(b) Excluded Amounts. With the prior written consent of the Administrative Agent, the Collateral Administrator may withdraw from the Collection Account any deposits thereto constituting Excluded Amounts if the Collateral Administrator has, prior to such withdrawal and consent, delivered to the Administrative Agent and each Lender a report setting forth the calculation of such Excluded Amounts in form and substance reasonably satisfactory to the Administrative Agent and each Lender.

(c) Initial Deposits. On the Funding Date with respect to any Loan or Additional Loan, the Collateral Administrator will deposit into the Collection Account all Collections received in respect of Loans being transferred to and included as part of the Collateral on such date.

(d) Investment of Funds. Until the occurrence of an Event of Default, to the extent there are uninvested amounts deposited in the Collection Account, all such amounts shall be invested in Permitted Investments selected by the Collateral Administrator on each Payment Date (or pursuant to standing instructions provided by the Collateral Administrator); *provided* that, from and after the occurrence of an Event of Default, to the extent there are uninvested amounts in the Collection Account, all such amounts may be invested in Permitted Investments selected by the Administrative Agent (which may be standing instructions). All earnings (net of losses and investment expenses) thereon shall be retained or deposited into the Collection Account and shall be applied on each Payment Date pursuant to the provisions of Section 2.7 and Section 2.8 (as applicable).

Section 2.10. Payments, Computations, Etc.

(a) Unless otherwise expressly provided herein, all amounts to be paid or deposited by the Borrower or the Collateral Administrator hereunder shall be paid or deposited in accordance with the terms hereof no later than 3:00 p.m. (Charlotte, North Carolina time) on the day when due in lawful money of the United States in immediately available funds and any amount not received before such time shall be deemed received on the next Business Day. The Borrower or the Collateral Administrator, as applicable, shall, to the extent permitted by law, pay to the Secured Parties interest on all amounts not paid or deposited when due hereunder at 5.25% *per annum* above the Prime Rate, payable on demand; *provided* that such interest rate shall not at

any time exceed the maximum rate permitted by Applicable Law. Such interest shall be for the account of the applicable Secured Party. All computations of interest and other fees hereunder shall be made on the basis of a year consisting of 360 days (other than calculations with respect to the Base Rate, which shall be based on a year consisting of 365 or 366 days, as applicable) for the actual number of days elapsed.

(b) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of Interest or any fee payable hereunder, as the case may be. For avoidance of doubt, to the extent that Available Funds are insufficient on any Payment Date to satisfy the full amount of any Increased Costs pursuant to Section 2.12, such unpaid amounts shall remain due and owing and shall accrue interest as provided in Section 2.10(a) until repaid in full.

(c) If any Advance requested by the Borrower is not effectuated as a result of the Borrower's actions or failure to fulfill any condition under Section 3.2, as the case may be, on the date specified therefor, the Borrower shall indemnify the applicable Lender against any reasonable loss, cost or expense incurred by the applicable Lender, including, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by the applicable Lender to fund or maintain such Advance, but excluding the Applicable Spread.

Section 2.11. Fees.

(a) The Collateral Administrator on behalf of the Borrower shall pay or cause to be paid in accordance with Section 2.7(a)(4) and Section 2.8(4), as applicable, to each applicable Lender, quarterly in arrears, the applicable Non-Usage Fee.

(b) The Collateral Administrator on behalf of the Borrower shall pay or cause to be paid to each applicable Lender, in respect of the Closing Date and each yearly anniversary thereof, the Due Diligence Fee.

(c) The Collateral Administrator on behalf of the Borrower shall pay or cause to be paid to the Administrative Agent, in respect of the Closing Date, the Structuring Fee.

(d) The Collateral Custodian shall be entitled to receive the Collateral Custodian Fee in accordance with Section 2.7(a)(1) and Section 2.8(1), as applicable.

(e) The Borrower shall pay to Cadwalader, Wickersham & Taft LLP as counsel to the Administrative Agent, within two (2) Business Days following an invoice therefor, its reasonable estimated fees and out-of-pocket expenses through the Closing Date, and shall pay all additional reasonable fees and out-of-pocket expenses of Cadwalader, Wickersham & Taft LLP required to be paid by the Borrower hereunder within thirty (30) days after receiving an invoice for such amounts.

Section 2.12. Increased Costs; Capital Adequacy; Illegality.

(a) If either (i) the introduction of or any change (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation of any Applicable Law or (ii) the compliance by an Affected Party with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), shall (a) subject an Affected Party to any Tax (except for Taxes covered by Section 2.13 and changes in the rate on the overall net income of such Lender) with respect to its interest in the Collateral, or any right or obligation to make Advances hereunder, or on any payment made hereunder, (b) impose, modify or deem applicable any reserve requirement (including, without limitation, any reserve requirement imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve requirement, if any, included in the determination of Interest), special deposit or similar requirement against assets of, deposits with or for the amount of, or credit extended by, any Affected Party or (c) impose any other condition affecting the ownership interest in the Collateral conveyed to the Lenders hereunder or any Affected Party's rights hereunder or under any other Transaction Document, the result of which is to increase the cost to any Affected Party or to reduce the amount of any sum received or receivable by an Affected Party under this Agreement or under any other Transaction Document, then on the Payment Date following demand by such Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such additional or increased cost incurred or such reduction suffered.

(b) If either (i) the introduction of or any change in or in the interpretation of any law, guideline, rule, regulation, directive or request or (ii) compliance by any Affected Party with any law, guideline, rule, regulation, directive or request from any central bank or other Governmental Authority or agency (whether or not having the force of law), including, without limitation, compliance by an Affected Party with any request or directive regarding capital adequacy has or would have the effect of reducing the rate of return on the capital of any Affected Party as a consequence of its obligations hereunder or arising in connection herewith to a level below that which any such Affected Party could have achieved but for such introduction, change or compliance (taking into consideration the policies of such Affected Party with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time, on the Payment Date following demand by such

Affected Party (which demand shall be accompanied by a statement setting forth the basis for such demand), the Borrower shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction. For the avoidance of doubt, if the issuance of any amendment or supplement to Interpretation No. 46 or to Statement of Financial Accounting Standards No. 140 by the Financial Accounting Standards Board or any other change in accounting standards or the issuance of any other pronouncement, release or interpretation, causes or requires the consolidation of all or a portion of the assets and liabilities of the Seller, the Borrower or any Lender with the assets and liabilities of the Administrative Agent, any Lender or shall otherwise impose any loss, cost, expense, reduction of return on capital or other loss, such event shall constitute a circumstance on which such Affected Party may base a claim for reimbursement under this Section 2.12.

(c) If as a result of any event or circumstance similar to those described in clause (a) or (b) of this Section 2.12, any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party in connection with this Agreement or the funding or maintenance of Advances hereunder, then within ten (10) days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts payable or paid by it.

(d) In determining any amount provided for in this Section 2.12, the Affected Party may use any reasonable averaging and attribution methods. Any Affected Party making a claim under this Section 2.12 shall submit to the Collateral Administrator a written description as to such additional or increased cost or reduction and the calculation thereof, which written description shall be conclusive absent manifest error.

(e) If a Eurodollar Disruption Event as described in clause (a) of the definition of "Eurodollar Disruption Event" with respect to any Lender occurred, such Lender shall in turn so notify the Borrower, whereupon all Advances Outstanding of the affected Lender in respect of which Interest accrues at the LIBOR Rate shall immediately be converted into Advances Outstanding in respect of which Interest accrues at the Base Rate.

(f) Failure or delay on the part of any Affected Party to demand compensation pursuant to this Section 2.12 shall not constitute a waiver of such Affected Party's right to demand or receive such compensation. Notwithstanding anything to the contrary in this Section 2.12, the Borrower shall not be required to compensate an Affected Party pursuant to this Section 2.12 for any amounts incurred more than six (6) months prior to the date that such Affected Party notifies the Borrower of such Affected Party's intention to claim compensation therefor; *provided* that, if the circumstances giving rise to such claim have a retroactive effect, then such six (6) month period shall be extended to include the period of such retroactive effect.

(g) Each Lender agrees that it will take such commercially reasonable actions as the Borrower may reasonably request that will avoid the need to pay, or reduce the amount of, any increased amounts referred to in this Section 2.12 or Section 2.13; *provided* that no Lender shall be obligated to take any actions that would, in the reasonable opinion of such Lender, be disadvantageous to such Lender. In no event will Borrower be responsible for increased amounts referred to in this Section 2.12 which relates to any other entities to which Lenders provide financing.

Section 2.13. Taxes.

(a) All payments made by an Obligor in respect of a Loan and all payments made by the Borrower or Collateral Custodian under this Agreement or any other Transaction Document will be made free and clear of and without deduction or withholding for or on account of any Taxes unless required by Applicable Law. If any Taxes are required to be withheld from any amounts payable to the Borrower or to any Indemnified Party, then the amount payable to such Person will be increased (the amount of such increase, the "Additional Amount") such that every net payment made under this Agreement or any other Transaction Document after withholding for or on account of any such Taxes (including, without limitation, any Taxes on

such increase) is not less than the amount that would have been paid had no such deduction or withholding been made. The foregoing obligation to pay Additional Amounts with respect to payments required to be made under this Agreement will not, however, apply with respect to (i) net income, franchise Taxes or other similar Taxes imposed on any Indemnified Party (or, in the case of a pass-through entity with respect to such Taxes, any of its beneficial owners) by a taxing jurisdiction in which any such Person (or, in the case of a pass-through entity with respect to such Taxes, any of its beneficial owners) is organized, conducts business or maintains its lending office), (ii) any Taxes that would not have been imposed but for a present or former connection between the Indemnified Party (or, in the case of a pass-through entity with respect to such Taxes, any of its beneficial owners) and the jurisdiction imposing such Taxes (other than a connection arising solely from such Indemnified Party's having executed, delivered, enforced or performed its obligation, or received payment, under this Agreement), (iii) any Taxes that are United States federal withholding taxes imposed under FATCA or (iv) any Taxes imposed by reason of the failure of such Indemnified Party (or, in the case of a pass-through entity with respect to such Taxes, any of its beneficial owners) to comply with Section 2.13(d) other than (A) if such failure is due to a Change of Tax Law or (B) if it is legally inadvisable or otherwise commercially disadvantageous for such Indemnified Party to deliver such form or certificate and such form or certificate would require the disclosure of materially different information than the form or certificate that is or would be required with respect to such Indemnified Party pursuant to Section 2.13(d) within fifteen (15) days after the date hereof if it were an Indemnified Party on such date (clauses (i)-(iv), collectively, the "Excluded Taxes").

(b) The Borrower hereby indemnifies each Indemnified Party for the full amount of Taxes (other than Excluded Taxes) imposed with respect to any payment made by the Borrower or any Affiliate of the Borrower under this Agreement or any other Transaction Document and Taxes payable by such Person in respect of Additional Amounts and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. All payments in respect of this indemnification shall be made on the Payment Date following the date a written demand therefor is delivered to the Borrower.

(c) Within thirty (30) days after the date of any payment by the Borrower, any Affiliate of the Borrower or Collateral Custodian of any withheld Taxes, the Borrower will furnish to the Administrative Agent and each of the Lenders at the applicable address set forth on Annex A to this Agreement a certified copy of the original official receipt evidencing payment of the Tax or, if such original official receipt is not available, other appropriate evidence of payment thereof reasonably acceptable to the Indemnified Party.

(d) Each Lender shall, to the extent required (and, in the case of a pass-through entity for the applicable Tax purposes, shall cause any of its beneficial owners to), deliver to the Borrower, with a copy to the Administrative Agent, (i) within fifteen (15) days after the date hereof, or at the time or times otherwise reasonably requested by the Borrower or the Administrative Agent, two (or such other number as may from time to time be prescribed by Applicable Law) duly completed copies of U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI or other Form W-8 or Form W-9 (or any successor forms or other certificates or statements that may be required from time to time by the relevant United States taxing authorities or Applicable Law), as appropriate, to permit the Borrower to make payments hereunder for the account of such Lender without deduction or withholding or to permit

deduction or withholding at a reduced rate of United States federal income or similar Taxes and (ii) upon the obsolescence of or after the occurrence of any event requiring a change in, any form or certificate previously delivered pursuant to this Section 2.13(d), copies (in such numbers as may from time to time be prescribed by Applicable Law or

regulations) of such additional, amended or successor forms, certificates or statements as may be required under Applicable Law to permit the Borrower to make payments hereunder for the account of such Lender without deduction or withholding or to permit deduction or withholding at a reduced rate of United States federal income or similar Taxes to the extent such Lender is permitted to do so under Applicable Law. From time to time, each Lender shall (and, in the case of a pass-through entity for the applicable Tax purpose, shall cause any of its beneficial owners to) promptly submit to the Borrower such additional duly completed and signed forms or certificates (or such successor forms or certificates as shall be adopted from time to time by the relevant taxing authorities) as may then be available under then Applicable Laws to claim any available exemption from or reduction of any Taxes in respect of any payment to be made to such Lender pursuant to this Agreement.

(e) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower and the Collateral Administrator contained in this Section 2.13 shall survive the termination of this Agreement.

Section 2.14. Assignment of the Sale Agreement.

The Borrower hereby assigns to the Administrative Agent, for the ratable benefit of the Secured Parties hereunder, all of the Borrower's right, title and interest in and to, but none of its obligations under, the Sale Agreement and any UCC financing statements filed under or in connection therewith. In furtherance and not in limitation of the foregoing, the Borrower hereby assigns to the Administrative Agent for the benefit of the Secured Parties its right to indemnification under Article IX of the Sale Agreement. The Borrower confirms that the Administrative Agent, on behalf of the Secured Parties, shall have the right to enforce the Borrower's rights and remedies under the Sale Agreement and any UCC financing statements filed under or in connection therewith for the benefit of the Secured Parties.

Section 2.15. Discretionary Sales.

Prior to the Revolving Period Termination Date, the Borrower shall have the right to sell Loans (each, a "Discretionary Sale"), subject to the following terms and conditions:

(i) Any Discretionary Sale shall be made by the Collateral Administrator, on behalf of the Borrower, to an unaffiliated third party purchaser in a transaction (i) reflecting arms-length market terms and (ii) in which the Borrower makes no representations, warranties or covenants and provides no indemnification for the benefit of any other party to the Discretionary Sale (other than that the Borrower has good title thereto, free and clear of all Liens and has the right to sell the related Loan), *provided* that, the Borrower may make a Discretionary Sale to an Affiliate of the Borrower with the prior written consent of the Administrative Agent in its sole discretion;

(ii) After giving effect to the Discretionary Sale, the receipt of funds provided for in clause (iii) below and the assignment to the Borrower of the Collateral on any Discretionary Sale Date, the Administrative Agent and each lender shall have received from the Borrower a certificate establishing (and in the case of clause (a) including detail and a Borrowing Base calculation) that (a) the Required Advance Reduction Amount is equal to zero, (b) the representations and warranties contained in Section 4.1 hereof shall continue to be correct in all material respects, except to the extent relating to an earlier date and (c) no Event of Default shall have resulted;

(iii) On the related Discretionary Sale Date, the Administrative Agent, each Lender and the Collateral Custodian, as applicable, shall have received, as applicable, in immediately available funds, an amount equal to the sum of (a) an amount sufficient to reduce the Advances Outstanding such that, after giving effect to the transfer of the Loans that are the subject of such Discretionary Sale, the Required Advance Reduction Amount will be equal to zero *plus* (b) an amount equal to all unpaid Interest then due and owing to the extent reasonably determined by the Administrative Agent and the Lenders to be attributable to that portion of the Advances Outstanding to be repaid in connection with the Discretionary Sale *plus* (c) an aggregate amount equal to the sum of all other Obligations due and owing to the Administrative Agent, each applicable Lender, the Affected Parties and the Indemnified Parties, as applicable, under this Agreement and the other Transaction Documents;

(iv) On the related Discretionary Sale Date, the proceeds (net of normal transactional expenses) from such Discretionary Sale have been sent directly into the Collection Account;

(v) No such Discretionary Sale may, without the prior written consent of the Administrative Agent, in its sole discretion, be made if an Event of Default has occurred and is continuing and the Obligations have been accelerated as a result thereof (and such acceleration has not been rescinded); and

(vi) During the Revolving Period, the aggregate OLB of all Loans which are sold or intended to be sold by the Borrower in connection with a Discretionary Sale during any 12-month rolling period shall not exceed 30% of the highest aggregate OLB of all Eligible Loans as at any point during such 12-month period (or such lesser number of months as shall have elapsed as of such date); provided that, the Borrower may make Discretionary Sales of Loans exceeding 30% of the highest aggregate OLB of all Eligible Loans as at any point during such 12-month period either (i) with the prior written consent of the Administrative Agent or (ii) if (A) all proceeds from such Discretionary Sales are applied pursuant to Section 2.3(b) to reduce Advances Outstanding and (B) the Facility Amount is concurrently reduced pursuant to Section 2.3(a) by an amount equal to the proceeds from such Discretionary Sales.

If a Loan owned by the Borrower ceases to be an Eligible Loan solely due to a breach of representation or warranties of the seller, that Loan may be sold back to the seller upon notice to (but not the prior written consent of) the Administrative Agent if all other requirements of a Discretionary Sale (as set forth in this Section 2.15) are satisfied as of the date of such sale back to the seller.

ARTICLE III.

CONDITIONS TO CLOSING AND ADVANCES

Section 3.1. Conditions to Closing and Initial Advance.

No Lender shall be obligated to make any Advance hereunder on the occasion of the Initial Advance, nor shall any Lender, the Administrative Agent or the Collateral Custodian be obligated to take, fulfill or perform any other action hereunder, until the following conditions have been satisfied, in the sole discretion of, or waived in writing by the Administrative Agent:

(a) Each Transaction Document shall have been duly executed by, and delivered to, the parties thereto, and the Administrative Agent shall have received such other documents, instruments, agreements and legal opinions as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement, including, without limitation, all those specified in the schedule of condition precedent documents attached hereto as Schedule I, each in form and substance satisfactory to the Administrative Agent;

(b) The Administrative Agent shall have received satisfactory evidence that the Borrower, the Seller and the Collateral Administrator have obtained all required consents and approvals of all Persons to the execution, delivery and performance of this Agreement and the other Transaction Documents to which each is a party and the consummation of the transactions contemplated hereby or thereby;

(c) The Borrower and the Collateral Administrator shall each have delivered to the Administrative Agent a certification in the form of Exhibit D, and such certification shall, with respect to the Collateral Administrator, include a representation that the Collateral Administrator has neither incurred nor suffered to exist any Indebtedness as of the Closing Date;

(d) The Borrower and the Collateral Administrator shall each have delivered to the Administrative Agent a certificate as to whether such entity is Solvent in the form of Exhibit C.

(e) The Collateral Administrator shall have delivered to the Administrative Agent certification that no Change of Control or Collateral Administrator Termination Event has occurred and is continuing.

(f) The Administrative Agent shall have received, with a counterpart for each Lender, the executed legal opinion or opinions of Simpson, Thacher & Bartlett LLP counsel to the Borrower, covering (i) enforceability, grant and perfection of the security interests on the Collateral, (ii) the sale of the Loans to the Borrower and (iii) non-consolidation of the Borrower, in each case in form and substance acceptable to the Administrative Agent in its reasonable discretion.

(g) The Administrative Agent and each Lender shall have received copies of the Credit and Collection Policy.

(h) The Administrative Agent and the Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

(i) On or prior to the date of the Initial Advance, each applicable Lender shall have received a duly executed copy of its Variable Funding Note, in a principal amount equal to the Commitment of the such Lender.

(j) The UCC-1 financing statement is in proper form for filing in the filing office of the appropriate jurisdiction and, when filed, together with the Securities Account Control Agreement, is effective to perfect the Secured Parties' security interest in the Collateral such that the Secured Parties' security interest in the Collateral ranks senior to that of any other creditors of the Borrower (whether now existing or hereafter acquired).

Section 3.2. Conditions Precedent to All Advances.

(a) Each Advance under this Agreement and each reinvestment of Principal Collections pursuant to either Section 2.7(b) or Section 2.7(c) (each, a "Transaction") shall be subject to the further conditions precedent that:

(i) with respect to any Advance, the Collateral Administrator shall have delivered to the Administrative Agent (with a copy to the Collateral Custodian) no later than 3:00 p.m. (Charlotte, North Carolina time), one (1) Business Day prior to the related Funding Date:

(1) a Funding Notice in the form of Exhibit A-1, a Borrowing Base Certificate and a Loan List; and

(2) a Certificate of Assignment in the form of Exhibit F to the Loan and Security Agreement including Exhibit A thereto and containing such additional information as may be reasonably requested by the Administrative Agent and each Lender;

(ii) with respect to any reinvestment of Principal Collections permitted by Section 2.7(b), the Collateral Administrator shall have delivered to the Administrative Agent, no later than 3:00 p.m. on the Business Day prior to any such reinvestment, a Reinvestment Notice in the form of Exhibit A-3 and a Borrowing Base Certificate, executed by the Collateral Administrator and the Borrower;

(b) On the date of such Transaction the following shall be true and correct and the Borrower and the Collateral Administrator shall have certified in the related Borrower's Notice that all conditions precedent to the requested Advance have been satisfied and shall thereby be deemed to have certified that:

(i) The representations and warranties contained in Section 4.1 and Section 4.2 are true and correct in all respects on and as of such day as though made on and as of such day and shall be deemed to have been made on such day (other than any representation and warranty that is made as of a specific date);

(ii) No event has occurred, or would result from such Transaction or from the application of proceeds thereof, that constitutes an Event of Default, Default or Collateral Administrator Termination Event;

(iii) On and as of such day, after giving effect to such Transaction, the Availability is greater than or equal to zero;

(iv) On and as of such day, the Borrower and the Collateral Administrator each has performed all of the covenants and agreements contained in this Agreement to be performed by such Person on or prior to such day;

(v) No Applicable Law shall prohibit or enjoin the making of such Advance by any Lender or the proposed reinvestment of Principal Collections.

(c) The Revolving Period End Date or the Termination Date shall not have occurred;

(d) On the date of such Transaction, the Administrative Agent shall have received such other approvals, opinions or documents as the Administrative Agent may reasonably require;

(e) The Borrower and Collateral Administrator shall have delivered to the Administrative Agent all reports required to be delivered as of the date of such Transaction including, without limitation, all deliveries required by Section 2.2;

(f) The Borrower shall have paid all fees then required to be paid and, without duplication of Section 2.11(e), shall have reimbursed the Lenders, the Collateral Custodian and the Administrative Agent for all fees, costs and expenses then required to be paid of closing the transactions contemplated hereunder and under the other Transaction Documents, including the reasonable attorney fees and any other legal and document preparation costs incurred by the Lenders, the Collateral Custodian and the Administrative Agent;

(g) The Borrower shall have received a copy of a notice substantially in the form of Exhibit A-5 attached hereto, executed by the Administrative

Agent, evidencing the approval of the Administrative Agent, in its sole discretion in accordance with clause (B) of the definition of "Eligible Loan", of the Loans to be added to the Collateral; and

(h) The Borrower shall have delivered to the Administrative Agent an Officer's Certificate (which may be part of the applicable Borrower's Notice) in form and substance reasonably satisfactory to the Administrative Agent certifying that each of the foregoing conditions precedent has been satisfied.

The failure of the Borrower to satisfy any of the foregoing conditions precedent in respect of any Advance shall give rise to a right of the Administrative Agent and the applicable Lender, which right may be exercised at any time on the demand of the applicable Lender, to rescind the related Advance and direct the Borrower to pay to the Administrative Agent for the benefit of the applicable Lender an amount equal to the Advances made during any such time that any of the foregoing conditions precedent were not satisfied.

Section 3.3. Custodianship; Transfer of Loans and Permitted Investments.

(a) The Administrative Agent shall hold all Certificated Securities (whether Loans or Permitted Investments) and Instruments in physical form at the Corporate Trust Office. Any successor Collateral Custodian shall be a state or national bank or trust company which is not an Affiliate of the Borrower and which is a Qualified Institution.

(b) Each time that the Borrower (or the Collateral Administrator on behalf of the Borrower) shall direct or cause the acquisition of any Loan or Permitted Investment, the Borrower shall (or the Collateral Administrator on behalf of the Borrower), if such Loan or Permitted Investment has not already been transferred in accordance with its Underlying Instruments (including obtaining any necessary consents) to the Collateral Custodian, cause the transfer of such Loan or Permitted Investment in accordance with its Underlying Instruments (including obtaining any necessary consents) to the Collateral Custodian to be credited by the Collateral Custodian to the Collateral Account in accordance with the terms of this Agreement. The security interest of the Administrative Agent in the funds or other property utilized in connection with such acquisition shall, immediately and without further action on the part of the Administrative Agent, be released.

(c) The Borrower (or the Collateral Administrator on behalf of the Borrower) shall cause all Loans or Permitted Investments acquired by the Borrower to be transferred to the Collateral Custodian for credit by the Collateral Custodian to the Collateral Account, and shall cause all Loans and Permitted Investments acquired by the Borrower to be delivered to the Collateral Custodian by one of the following means (and shall take any and all other actions necessary to create and perfect in favor of the Administrative Agent a valid security interest in each Loan and Permitted Investment, which security interest shall be senior (subject to Permitted Liens) to that of any other creditor of the Borrower (whether now existing or hereafter acquired):

(i) in the case of an Instrument or a Certificated Security represented by a Security Certificate in registered form by having it Indorsed to the Collateral Custodian or in blank by an effective Indorsement or registered in the name of the Administrative Agent and by (A) delivering such Instrument or Security Certificate to the Collateral Custodian at the Corporate Trust Office and (B) causing the Collateral Custodian to maintain (on behalf of the Administrative Agent) continuous possession of such Instrument or Security Certificate at the Corporate Trust Office;

(ii) in the case of an Uncertificated Security, by (A) causing the Administrative Agent to become the registered owner of such Uncertificated Security and (B) causing such registration to remain effective;

(iii) in the case of any Security Entitlement, by causing each such Security Entitlement to be credited to a Securities Account in the name of the Borrower pursuant to the Securities Account Control Agreement;

(iv) in the case of General Intangibles (including any Loan or Permitted Investment not evidenced by an Instrument) by filing, maintaining and continuing the effectiveness of, a financing statement naming the Borrower as debtor and the Administrative Agent as secured party and describing the Loan or Permitted Investment (as the case may be) as the collateral at the filing office of the Secretary of State for the State of Delaware.

(d) The security interest of the Administrative Agent in any Collateral disposed of in a transaction permitted by this Agreement shall, immediately and without further action on the part of the Administrative Agent, be released and the Collateral Custodian shall immediately release such Collateral to, or as directed by, the Borrower.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows as of the Closing Date, each Funding Date, and as of each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made:

(a) Organization and Good Standing. The Borrower has been duly organized, and is validly existing as a limited liability company in good standing, under the laws of the State of Delaware, with all requisite limited liability company power and authority to own or lease its properties and conduct its business as such business is presently conducted, and had at all relevant times, and now has all necessary power, authority and legal right to acquire, own and sell the Collateral.

(b) Due Qualification. The Borrower is (i) duly qualified to do business and is in good standing as a limited liability company in its jurisdiction of formation, and (ii) has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be so qualified or to have obtained such licenses or approvals could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Borrower (i) has all necessary limited liability company power, authority and legal right to (a) execute and deliver each Transaction Document to which it is a party, and (b) carry out the terms of the Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary limited liability company action, the execution, delivery and performance of each Transaction Document to which it is a party and the transfer and assignment of an ownership and security interest in the Collateral on the terms and conditions herein provided. This Agreement and each

other Transaction Document to which the Borrower is a party have been duly executed and delivered by the Borrower.

(d) Binding Obligation. Each Transaction Document to which the Borrower is a party constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its respective terms, except as such enforceability may be limited by Insolvency Laws and by general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by each Transaction Document to which it is a party and the fulfillment of the terms thereof will not (i) in any material respect conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Borrower's certificate of formation, operating agreement or any Contractual Obligation of the Borrower, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the Borrower's properties pursuant to the terms of any such Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law in any material respect.

(f) Agreements. The Borrower is not a party to any agreement or instrument or subject to any corporate restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect. The Borrower is not in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such defaults could reasonably be expected to result in a Material Adverse Effect.

(g) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Borrower, threatened against the Borrower, before any Governmental Authority (i) asserting the invalidity of any Transaction Document to which the Borrower is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by any Transaction Document to which the Borrower is a party or (iii) that could reasonably be expected to have Material Adverse Effect.

(h) All Consents Required. All approvals, authorizations, consents, orders, licenses, filings or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Borrower of each Transaction Document to which the Borrower is a party have been obtained.

(i) Bulk Sales. The execution, delivery and performance of this Agreement and the transactions contemplated hereby do not require compliance with any "bulk sales" act or similar law by the Borrower.

(j) Solvency. The Borrower is not the subject of any Insolvency Proceedings or Insolvency Event. The transactions under the Transaction Documents to which the Borrower is a party do not and will not render the Borrower not Solvent and the Borrower shall deliver to the Administrative Agent on the Closing Date a certification in the form of Exhibit C.

(k) Taxes.

(i) At all times prior to the SPV Merger Date, (A) the AIV is a United States Person within the meaning of Section 7701(a)(30) of the Code and is treated as a partnership for U.S. federal income tax purposes and (B) the Borrower is, and has always been, a "disregarded entity" of the Collateral Administrator for U.S. federal income tax purposes.

(ii) At all times on or after the SPV Merger Date, (A) the BDC and AIV Holding are United States Persons within the meaning of Section 7701(a)(30) of the Code and are treated as corporations for U.S. federal income tax purposes, (B) New Mountain Guardian Advisors BDC is a United States Person within the meaning of Section 7701(a)(30) of the Code and is treated for U.S. federal income tax purposes as a disregarded entity wholly owned by a United States person within the meaning of Section 7701(a)(30) of the Code and (C) the Borrower is a "disregarded entity" of the Collateral Administrator for U.S. federal income tax purposes.

(iii) Each of the Borrower, the AIV, New Mountain Guardian Advisors BDC and each Taxable Entity has filed or caused to be filed all material tax and information returns that are required to be filed by it and has paid or made adequate provisions for the payment of all material Taxes and all material assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Borrower, the AIV, New Mountain Guardian Advisors BDC, or such Taxable Entity, as applicable), and no material tax lien (other than a Permitted Lien in respect of Taxes) has been filed and, to the Borrower's, the AIV's, New Mountain Guardian Advisors BDC's or any Taxable Entity's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) Exchange Act Compliance; Regulations T, U and X None of the transactions contemplated herein or in the other Transaction Documents (including, without limitation, the use of the proceeds from the transfer of the Collateral) will violate or result in a violation of Section 7 of the Exchange Act, or any regulations issued pursuant thereto, including, without limitation, Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. The Borrower does not own or intend to carry or purchase, and no proceeds from the Advances will be used to carry or purchase, any "margin stock" within the meaning of Regulation U or to extend "purpose credit" within the meaning of Regulation U.

(m) Security Interest.

(i) This Agreement creates a valid and continuing security interest (as defined in the UCC as in effect from time to time in the State of New York) in the Collateral in favor of the Administrative Agent, on behalf of the Secured Parties, which security interest is validly perfected under Article 9 of the UCC and is prior to all other Liens (except for Permitted Liens), and is enforceable as such against creditors of and purchasers from the Borrower;

(ii) the Collateral is comprised of "instruments", "security entitlements", "general intangibles", "certificated securities", "uncertificated securities", "securities accounts", "investment property" and "proceeds" (each as defined in the applicable

UCC) and such other categories of collateral under the applicable UCC as to which the Borrower has complied with its obligations under Section 4.1(m)(i);

(iii) with respect to Collateral that constitute Security Entitlements:

(1) all of such Security Entitlements have been credited to one of the Accounts and the securities intermediary for each Account has agreed to treat all assets credited to such Account as Financial Assets within the meaning of the UCC as in effect from time-to-time in the State of New York;

(2) the Borrower has taken all steps necessary to enable the Administrative Agent to obtain "control" (within the meaning of the UCC as in effect from time-to-time in the State of New York) with respect to each Account; and

(3) the Accounts are not in the name of any Person other than the Borrower, subject to the lien of the Administrative Agent. The

Borrower has not instructed the securities intermediary of any Account to comply with the entitlement order of any Person other than the Administrative Agent; provided that, until the Administrative Agent delivers a Notice of Exclusive Control, the Borrower and the Collateral Administrator may cause cash in the Accounts to be invested in Permitted Investments, and the proceeds thereof to be distributed in accordance with this Agreement.

(iv) all Accounts constitute "securities accounts" as defined in the Section 8-501(a) of the UCC as in effect from time-to-time in the State of New York;

(v) the Borrower owns and has good and marketable title to the Collateral free and clear of any Lien (other than Permitted Liens) of any Person;

(vi) the Borrower has received all consents and approvals required by the terms of any Loan to the transfer and granting of a security interest in the Loans hereunder to the Administrative Agent, on behalf of the Secured Parties;

(vii) the Borrower has taken all necessary steps to authorize the Administrative Agent to file all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in that portion of the Collateral in which a security interest may be perfected by filing pursuant to Article 9 of the UCC as in effect in the Borrower's jurisdiction of organization;

(viii) other than the security interest granted to the Administrative Agent, on behalf of the Secured Parties, pursuant to this Agreement, the Borrower has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Collateral. The Borrower has not authorized the filing of and is not aware of any financing statements against the Borrower that include a description of any collateral included in the Collateral other than any financing statement (A) relating to the security interest granted to the Borrower under the Sale Agreement or (B) that has been terminated and/or fully and validly assigned to the Administrative Agent on or prior to the date hereof. There are no judgments or tax lien filings against the Borrower;

(ix) all original executed copies of each underlying promissory note that constitute or evidence each Loan that is evidenced by a promissory note has been or, subject to the delivery requirements contained herein, will be delivered to the Collateral Custodian;

(x) other than in the case of Noteless Loans, the Borrower has received, or subject to the delivery requirements contained herein will receive, a written acknowledgment from the Collateral Custodian that the Collateral Custodian or its bailee is holding the underlying promissory notes that evidence all Loans evidenced by a promissory note solely on behalf of the Administrative Agent for the benefit of the Secured Parties;

(xi) none of the underlying promissory notes that constitute or evidence the Loans has any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person other than the Administrative Agent on behalf of the Secured Parties;

(xii) with respect to Collateral that constitutes a "certificated security," such certificated security has been delivered to the Collateral Custodian on behalf of the Administrative Agent and, if in registered form, has been specially Indorsed to the Collateral Custodian or in blank by an effective Indorsement or has been registered in the name of the Administrative Agent upon original issue or registration of transfer by the Borrower of such certificated security; and

(xiii) in the case of an Uncertificated Security, by (A) causing the Administrative Agent to become the registered owner of such Uncertificated Security and (B) causing such registration to remain effective.

(n) Reports Accurate. All information, exhibits, financial statements, documents, books, records or reports furnished or to be furnished by the Borrower to the Administrative Agent or any Lender in connection with this Agreement are true, complete and correct in all material respects.

(o) Location of Offices. The Borrower's location (within the meaning of Article 9 of the UCC) is, and at all times has been, the State of Delaware. The Borrower's Federal Employee Identification Number is correctly set forth on Exhibit D. The Borrower has not changed its name (whether by amendment of its certificate of formation, by reorganization or otherwise) or its jurisdiction of organization and has not changed its location within the four (4) months preceding the Closing Date.

(p) Collection Account. The Collection Accounts (including any sub accounts thereof) are the only accounts to which Collections on the Collateral are sent.

(q) Legal Name. The Borrower's exact legal name is, and at all times has been, New Mountain Guardian SPV Funding, L.L.C.

(r) Sale Agreement. The Sale Agreement is the only agreement pursuant to which the Borrower purchases Collateral from the Seller.

(s) Value Given. The Borrower shall have given reasonably equivalent value to the Seller or the applicable third party seller of Collateral in consideration for the transfer to the Borrower of the Collateral, and no such transfer shall have been made for or on account of an antecedent debt, and no such transfer is or may be voidable or subject to avoidance under any section of the Bankruptcy Code.

(t) Accounting. The Borrower accounts for the transfers to it of interests in Collateral as sales for legal (other than tax) purposes on its books, records and financial statements, in each case consistent with GAAP and with the requirements set forth herein.

(u) Special Purpose Entity. The Borrower has not and shall not:

(i) engage in any business or activity other than the purchase and receipt of Collateral, the transfer and pledge of Collateral under the Transaction Documents and such other activities as are incidental thereto;

(ii) acquire or own any assets other than (a) the Collateral, (b) Permitted Investments and (c) incidental property as may be necessary for the operation of the Borrower and the performance of its obligations under the Transaction Documents;

(iii) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets (other than in accordance with the provisions hereof), without in each case first obtaining the consent of the Administrative Agent (which consent in connection with the SPV Merger shall not be unreasonably withheld), or except as permitted by this Agreement, change its legal structure, or jurisdiction of formation;

(iv) fail to preserve its existence as an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization or formation, or without the prior written consent of the Administrative Agent (which consent in connection with the SPV Merger shall not be unreasonably withheld), amend, modify, terminate or fail to comply with the provisions of its operating agreement, or fail to observe limited liability company formalities;

(v) own any Subsidiary or make any Investment in any Person (other than Permitted Investments) without the consent of the Administrative Agent;

(vi) except as permitted by this Agreement, commingle its assets with the assets of any of its Affiliates, or of any other Person;

(vii) incur any Indebtedness, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than Indebtedness to the Secured Parties hereunder or in conjunction with a repayment of all Advances owed to the Lenders and a termination of all the Commitments;

(viii) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due;

(ix) fail to maintain its records, books of account and bank accounts separate and apart from those of any other Person;

(x) enter into any contract or agreement with any Person, except (a) the Transaction Documents, (b) other contracts or agreements that are upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arms-length basis with third parties other than such Person and (c) with the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld), contracts and agreements in connection with the SPV Merger;

(xi) seek its dissolution or winding up in whole or in part;

(xii) fail to correct any known misunderstandings regarding the separate identity of the Borrower and the Seller or any principal or Affiliate thereof or any other Person;

(xiii) guarantee, become obligated for, or hold itself out to be responsible for the debt of another Person;

(xiv) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business solely in its own name in order not (a) to mislead others as to the identity of the Person with which such other party is transacting business, or (b) to suggest that it is responsible for the debts of any third party (including any of its principals or Affiliates);

(xv) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(xvi) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;

(xvii) except as may be required or permitted by the Code and regulations or other applicable state or local tax law, hold itself out as or be considered as a department or division of (a) any of its principals or Affiliates, (b) any Affiliate of a principal or (c) any other Person;

(xviii) fail to maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person;

(xix) fail to pay its own liabilities and expenses only out of its own funds;

(xx) fail to pay the salaries of its own employees, if any, in light of its contemplated business operations;

(xxi) acquire the obligations or securities of its Affiliates or stockholders;

(xxii) guarantee any obligation of any person, including an Affiliate;

(xxiii) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;

(xxiv) fail to use separate invoices and checks bearing its own name;

(xxv) pledge its assets for the benefit of any other Person, other than with respect to payment of the indebtedness to the Secured Parties hereunder;

(xxvi) (A) fail at any time to have at least one (1) independent manager or director (the "Independent Manager") who is not currently a director, officer, employee, trade creditor shareholder, manager or member (or spouse, parent, sibling or child of the foregoing) of (a) the Collateral Administrator, (b) any principal or Affiliate of the Collateral Administrator (other than being manager or director of the Borrower); *provided* that such Independent Manager may be an independent manager or an independent director of another special purpose entity affiliated with the Collateral Administrator or (B) fail to ensure that all limited liability company action relating to the selection, maintenance or replacement of the Independent Manager are duly authorized by the unanimous vote of the board of managers (including the Independent Manager);

(xxvii) fail to provide that the unanimous consent of all members (including the consent of the Independent Manager) is required for the Borrower to (a) dissolve or liquidate, in whole or part, or institute proceedings to be adjudicated bankrupt or insolvent, (b) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (c) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (d) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for the Borrower, (e) make any assignment for the benefit of the Borrower's creditors, (f) admit in writing its inability to pay its debts generally as they become due, or (g) take any action in furtherance of any of the foregoing; and

(xxviii) take or refrain from taking, as applicable, each of the activities specified in (A) prior to the SPV Merger Date, the non-consolidation opinion of Simpson Thacher & Bartlett LLP, dated as of the date hereof or (B) on and after the SPV Merger Date, the non-consolidation opinion of Simpson Thacher & Bartlett LLP, dated on or about the SPV Merger Date, in each case upon which the conclusions expressed therein are based.

(v) Bankruptcy. The Borrower has received in writing from the Seller confirmation that the Seller will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or Insolvency Laws.

(w) Investment Company Act. The Borrower is not, and, at any time prior to the SPV Merger Date, is not "controlled by", an "investment company" within the meaning of, and is not subject to regulation under, the 1940 Act except pursuant to Section 12(d)(1) thereof.

(x) ERISA. Except as would not reasonably be expected to constitute a Material Adverse Effect, (i) the present value of all benefits vested under all "employee pension benefit plans," as such term is defined in Section 3 of ERISA which are subject to Title IV of ERISA and maintained by the Borrower, or in which employees of the Borrower are entitled to participate, other than a Multiemployer Plan (the "Pension Plans"), does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the most recent annual financial statements reflecting such amounts), (ii) no non-exempt prohibited transactions, failures to satisfy minimum funding standards, withdrawals or reportable events within the meaning of 4043 of ERISA, other than those events as to which the 30-day notice period referred to in Section 4043(c) of ERISA has been waived, (each a "Reportable Event") have occurred with respect to any Pension Plans that, in the aggregate, could subject the Borrower to any material tax, penalty or other liability and (iii) no notice of intent to terminate a Pension Plan has been filed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(y) Compliance with Law. The Borrower has complied in all material respects with all Applicable Law to which it may be subject, and no item of Collateral contravenes in any material respect any Applicable Law (including, without limitation, all applicable predatory and abusive lending laws, laws, rules and regulations relating to licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy).

(z) Collections. The Borrower acknowledges that all Collections received by it or its Affiliates with respect to the Collateral transferred hereunder are held and shall be held in trust for the benefit of the Secured Parties until deposited into the Collection Account within two Business Days after receipt as required herein.

(aa) Amendments. No Loan has been amended, modified or waived, except for amendments, modifications or waivers, if any, to such Collateral otherwise permitted under Section 6.4(a) and in accordance with the Credit and Collection Policy.

(bb) Full Payment. As of the Funding Date thereof, the Borrower has no knowledge of any fact which should lead it to expect that any Loan will not be repaid by the Borrower in full.

(cc) Accuracy of Representations and Warranties. Each representation or warranty by the Borrower contained herein or in any report, financial statement, exhibit, schedule, certificate or other document furnished by the Borrower pursuant hereto, in connection herewith or in connection with the negotiation hereof is true and correct in all material respects.

(dd) Members of the Borrower. The sole member of the Borrower is a "United States Person" within the meaning of Section 7701(a)(30) of the Code.

(ee) USA Patriot Act. Neither the Borrower nor any Affiliate of the Borrower is (i) a country, territory, organization, person or entity named on an Office of Foreign Asset Control (OFAC) list; (ii) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a "Non-Cooperative Jurisdiction" by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (iii) a "Foreign Shell Bank" within the meaning of the USA Patriot Act, i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (iv) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the Treasury under Sections 311 or 312 of the USA Patriot Act as warranting special measures due to money laundering concerns.

The representations and warranties in Section 4.1(m) shall survive the termination of this Agreement and such representations and warranties may not be waived by any party hereto without the consent of the Administrative Agent.

Section 4.2. Representations and Warranties of the Borrower Relating to the Agreement and the Collateral.

The Borrower hereby represents and warrants, as of the Closing Date and as of each Funding Date:

(a) Valid Security Interest. This Agreement constitutes a security agreement within the meaning of Section 9-102(a)(73) of the UCC as in effect from time to time in the State of New York. Upon the delivery to the Collateral Custodian of all Collateral constituting "instruments" and "certificated securities" (as defined in the UCC as in effect from time to time in the jurisdiction where the Collateral Custodian's Corporate Trust Office is located), the crediting of all Collateral that constitutes Financial Assets (as defined in the UCC as in effect from time to time in the State of New York) to an Account and the filing of the financing statements described in Section 4.1(m) in the jurisdiction in which the Borrower is located, such security interest shall be a valid and first priority perfected security interest in all of the Collateral (subject to Permitted Liens) in that portion of the Collateral in which a security interest may be created under 9 of the UCC as in effect from time to time in the State of New York.

(b) Eligibility of Collateral. The Borrower has conducted such due diligence and other review as it considered necessary with respect to the Loans set forth on Schedule III. As of the Closing Date and each Funding Date, (i) the Loan List and the information contained in each Funding Notice delivered pursuant to Section 2.2, is an accurate and complete listing in all material respects of all Loans included in the Collateral as of the related Funding Date and the information contained therein with respect to the identity of such Loans and the amounts owing thereunder is true, correct and complete in all material respects as of the related Funding Date, (ii) each such Loan included in the Borrowing Base is an Eligible Loan, (iii) each Loan included in the Collateral is free and clear of any Lien of any Person (other than Permitted Liens) and in compliance with all Applicable Laws in all material respects and (iv) with respect to each Loan included in the Collateral, all material consents, licenses, approvals or authorizations of or registrations or declarations of any Governmental Authority or any Person required to be

obtained, effected or given by the Borrower in connection with the transfer of an ownership interest or security interest in such Collateral to the Administrative Agent as agent for the benefit of the Secured Parties have been duly obtained, effected or given and are in full force and effect.

(c) No Fraud. Each Loan was originated without any fraud or material misrepresentation by the Seller or, to the best knowledge of the Borrower, on the part of the Obligor.

Section 4.3. Representations and Warranties of the Collateral Administrator.

The Collateral Administrator represents and warrants as follows as of the Closing Date, each Funding Date, and as of each other date provided under this Agreement or the other Transaction Documents on which such representations and warranties are required to be (or deemed to be) made:

(a) Organization and Good Standing. The Collateral Administrator has been duly organized, and is validly existing as a limited liability company in good standing, under the laws of the State of Delaware, with all requisite limited liability company power and authority to own or lease its properties and conduct its business as such business is presently conducted.

(b) Due Qualification. The Collateral Administrator is duly qualified to do business and is in good standing as a limited liability company, and has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be so qualified or in good standing or to have obtained such licenses or approvals could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization; Execution and Delivery. The Collateral Administrator (i) has all necessary limited liability company power, authority and legal right to (a) execute and deliver each Transaction Document to which it is a party, and (b) carry out the terms of the Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary limited liability company action, the execution, delivery and performance of each Transaction Document to which it is a party. This Agreement and each other Transaction Document to which the Collateral Administrator is a party have been duly executed and delivered by the Collateral Administrator.

(d) Binding Obligation. Each Transaction Document to which the Collateral Administrator is a party constitutes a legal, valid and binding obligation of the Collateral Administrator enforceable against the Collateral Administrator in accordance with its respective terms, except as such enforceability may be limited by Insolvency Laws and general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by each Transaction Document to which it is a party and the fulfillment of the terms thereof will not (i) conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the Collateral Administrator's certificate of formation, operating agreement or any Contractual Obligation of the Collateral Administrator, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the

Collateral Administrator's properties pursuant to the terms of any such Contractual Obligation, other than this Agreement, or (iii) violate any Applicable Law in any material respect.

(f) No Proceedings. There is no litigation, proceeding or investigation pending or, to the knowledge of the Collateral Administrator, threatened against the Collateral Administrator, before any Governmental Authority (i) asserting the invalidity of any Transaction Document to which the Collateral Administrator is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by any Transaction Document to which the Collateral Administrator is a party or (iii) that could reasonably be expected to have Material Adverse Effect.

(g) All Consents Required. All approvals, authorizations, consents, orders, licenses, filings or other actions of any Person or of any Governmental Authority (if any) required for the due execution, delivery and performance by the Collateral Administrator of each Transaction Document to which the Collateral Administrator is a party have been obtained.

(h) Reports Accurate. All information, exhibits, financial statements, documents, books, records or reports furnished or to be furnished by the Collateral Administrator to the Administrative Agent or any Lender in connection with this Agreement are true, complete and correct in all material respects.

(i) Collections. The Collateral Administrator acknowledges that all Collections received by it or its Affiliates with respect to the Collateral transferred or pledged hereunder are held and shall be held in trust for the benefit of the Secured Parties until deposited into the Collection Account within two (2) Business Days from receipt as required herein.

(j) Solvency. The Collateral Administrator is not the subject of any Insolvency Proceedings or Insolvency Event. The transactions under the Transaction Documents to which the Collateral Administrator is a party do not and will not render the Collateral Administrator not Solvent and the Collateral Administrator shall deliver to the Administrative Agent on the Closing Date a certification in the form of Exhibit C.

(k) Taxes. At all times prior to the SPV Merger Date, the Collateral Administrator is, and has always been a "disregarded entity" of the AIV for U.S. federal income tax purposes and at all times on or after the SPV Merger Date, the Collateral Administrator is a United States Person within the meaning of Section 7701(a)(30) of the Code, is treated as a partnership for U.S. federal income tax purposes, and is owned by New Mountain Guardian Advisors BDC, the Taxable Entities and other entities that are United States Persons within the meaning of Section 7701(a)(30) of the Code. Each of the Collateral Administrator and its equity owners have filed or caused to be filed all material tax and information returns that are required to be filed by it and has paid or made adequate provisions for the payment of all material Taxes and all material assessments made against it or any of its property (other than any amount of Tax the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP have been provided on the books of the Collateral Administrator), and no material tax lien (other than a Permitted Lien in respect of Taxes) has been filed and, to the Collateral Administrator's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge.

(l) ERISA. Except as would not reasonably be expected to constitute a Material Adverse Effect, (i) the present value of all benefits vested under all Pension Plans of the Collateral Administrator does not exceed the value of the assets of the Pension Plan allocable to such vested benefits (based on the value of such assets as of the most recent annual financial statements reflecting such amounts), (ii) no Reportable Events have occurred with respect to any Pension Plans that, in the aggregate, could subject the Collateral Administrator to any material tax, penalty or other liability and (iii) no notice of intent to terminate a Pension Plan has been filed, nor has any Pension Plan been terminated under Section 4041(f) of ERISA, nor has the Pension Benefit Guaranty Corporation instituted proceedings to terminate, or appoint a trustee to administer a Pension Plan and no event has occurred or condition exists that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan.

(m) Investment Company Act. At all times prior to the SPV Merger Date, the Collateral Administrator is not, and is not "controlled by", an "investment company" within the meaning of the 1940 Act or is exempt from the provisions of the 1940 Act, except Section 12(d)(1) thereof.

(n) Compliance with Law. The Collateral Administrator has complied in all material respects with all Applicable Law to which it may be subject, and no item of Collateral contravenes in any material respect any Applicable Law (including, without limitation, all applicable predatory and abusive lending laws, laws, rules and regulations relating to licensing, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy).

(o) No Material Adverse Effect. No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material

Adverse Effect on the Collateral Administrator since August 18, 2010.

(p) Members of the Collateral Administrator. The sole member (or, after the SPV Merger, each member) of the Collateral Administrator is a "United States Person" within the meaning of Section 7701(a)(30) of the Code.

(q) Actions of the Collateral Administrator. The Collateral Administrator acknowledges and agrees that, as of the date hereof, all of the Loans owned by the Borrower as of the Closing Date (or subject to irrevocable commitments to purchase by the Borrower for settlement (as participations or assignments) after the Closing Date) are owned by way of an assignment (and not a participation) and are as set forth on Schedule III and hereby consents to the acquisition by the Borrower on the Closing Date (or, in respect of Loans with respect to which the Borrower has entered into irrevocable commitments to purchase as of the Closing Date for settlement after the Closing Date) of each Loan set forth on Schedule III.

Section 4.4. Representations and Warranties of the Collateral Custodian.

The Collateral Custodian in its individual capacity and as Collateral Custodian represents and warrants as follows:

(a) Organization; Power and Authority. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has full corporate power, authority and legal right to execute, deliver and perform its obligations as Collateral Custodian under this Agreement.

(b) Due Authorization. The execution and delivery of this Agreement and the consummation of the transactions provided for herein have been duly authorized by all necessary association action on its part, either in its individual capacity or as Collateral Custodian, as the case may be.

(c) No Conflict. The execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with, result in any breach of its articles of incorporation or bylaws or any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Collateral Custodian is a party or by which it or any of its property is bound.

(d) No Violation. The execution and delivery of this Agreement, the performance of the Transactions contemplated hereby and the fulfillment of the terms hereof will not conflict with or violate, in any material respect, any Applicable Law as to the Collateral Custodian.

(e) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or Governmental Authority applicable to the Collateral Custodian, required in connection with the execution and delivery of this Agreement, the performance by the Collateral Custodian of the transactions contemplated hereby and the fulfillment by the Collateral Custodian of the terms hereof have been obtained.

(f) Validity, Etc. The Agreement constitutes the legal, valid and binding obligation of the Collateral Custodian, enforceable against the Collateral Custodian in accordance with its terms, except as such enforceability may be limited by applicable Insolvency Laws and general principles of equity (whether considered in a suit at law or in equity).

ARTICLE V.

GENERAL COVENANTS

Section 5.1. Affirmative Covenants of the Borrower.

The Borrower covenants and agrees with the Lenders that so long as this Agreement shall remain in effect and until the principal of and interest on Advances and all other Fees, expenses or amounts payable under any Transaction Document shall have been paid in full:

(a) Compliance with Laws. The Borrower will comply in all material respects with all Applicable Laws, including those with respect to the Collateral or any part thereof.

(b) Preservation of Company Existence. The Borrower will (i) preserve and maintain its company existence, rights, franchises and privileges in the jurisdiction of its

formation, (ii) qualify and remain qualified in good standing as a limited liability company in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect and (iii) maintain the Borrower LLC Agreement in full force and effect and shall not amend the same without the prior written consent of the Administrative Agent. For the avoidance of doubt, the SPV Merger is permitted under this Section 5.1(b).

(c) Performance and Compliance with Collateral. The Borrower will, at its expense, timely and fully perform and comply (or cause the Seller to perform and comply pursuant to the Sale Agreement) with all provisions, covenants and other promises required to be observed by it under the Collateral, the Transaction Documents and all other agreements related to such Collateral.

(d) Keeping of Records and Books of Account. The Borrower will keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all requirements of law are made of all dealings and transactions in relation to its business and activities. The Borrower will permit any representatives designated by the Administrative Agent to visit and inspect the financial records and the properties of such person at reasonable times and as often as reasonably requested, without unreasonably interfering with such party's business and affairs and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent to discuss the affairs, finances and condition of such person with the officers thereof and independent accountants therefor, in each case, other than (x) material and affairs protected by the attorney-client privilege and (y) materials which such party may not disclose without violation of confidentiality obligations binding upon it. For the avoidance of doubt, the right of the Administrative Agent provided herein to visit and inspect the financial records and properties of the Borrower shall be limited to not more than one (1) such visit and inspection in any fiscal quarter; provided that after the occurrence of an Event of Default and during its continuance, there shall be no limit to the number of such visits and inspections, and after the resolution of such Event of Default, the number of visits occurring in the current fiscal quarter shall be deemed to be zero.

(e) Protection of Interest in Collateral. With respect to the Collateral acquired by the Borrower, the Borrower will (i) acquire such Collateral pursuant to and in accordance with the terms of the Sale Agreement or directly from a third party, (ii) (at the Collateral Administrator's expense) take all action necessary to perfect, protect and more fully evidence the Borrower's ownership of such Collateral free and clear of any Lien other than the Lien created hereunder and Permitted Liens, including, without limitation, (a) with respect to the Loans and that portion of the Collateral in which a security interest may be perfected by filing and maintaining (at the Collateral

Administrator's expense), effective financing statements against the Obligor in all necessary or appropriate filing offices, (including any amendments thereto or assignments thereof) and filing continuation statements, amendments or assignments with respect thereto in such filing offices, (including any amendments thereto or assignments thereof) and (b) executing or causing to be executed such other instruments or notices as may be necessary or appropriate, (iii) permit the Administrative Agent or its respective agents or representatives to visit the offices of the Borrower during normal office hours and upon reasonable notice examine and make copies of all documents, books, records and other information concerning the Collateral and discuss matters related thereto with any of the officers

or employees of the Borrower having knowledge of such matters, and (iv) take all additional action that the Administrative Agent may reasonably request to perfect, protect and more fully evidence the respective interests of the parties to this Agreement in the Collateral.

(f) Deposit of Collections.

(i) The Borrower shall, or cause the Collateral Administrator to, instruct each Obligor to deliver all Collections in respect of the Collateral attributable to (A) Interest Collections paid by such Obligor to the Interest Collections Account and (B) Principal Collections paid by such Obligor to the Principal Collections Account.

(ii) The Borrower shall promptly (but in no event later than three (3) Business Days after receipt) deposit all Collections received by such party in respect of the Collateral into the appropriate Collection Account as set forth in clause (i) above.

(g) Special Purpose Entity. The Borrower shall be in compliance with the special purpose entity requirements set forth in Section 4.1(u).

(h) Credit and Collection Policy. The Borrower will (a) comply in all material respects with the Credit and Collection Policy in regard to the Collateral, and (b) furnish to the Administrative Agent prior to its effective date, prompt written notice of any changes in the Credit and Collection Policy. The Borrower will not agree to or otherwise permit to occur any material change in the Credit and Collection Policy without the prior written consent of the Administrative Agent; *provided* that no consent shall be required from the Administrative Agent in connection with any change mandated by Applicable Law or a Governmental Authority as evidenced by an Opinion of Counsel to that effect delivered to the Administrative Agent.

(i) Events of Default. Promptly following the Borrower's knowledge or notice of the occurrence of any Event of Default or Default, the Borrower will provide the Administrative Agent with written notice of the occurrence of such Event of Default or Default of which the Borrower has knowledge or has received notice. In addition, such notice will include a written statement of a Responsible Officer of the Borrower setting forth the details of such event and the action that the Borrower proposes to take with respect thereto.

(j) Obligations and Taxes.

(i) Each of the Borrower, New Mountain Guardian Advisors BDC and the Taxable Entities shall pay its respective material Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all material Taxes and withholding Tax obligations before the same shall become delinquent or in default, as well as all lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof and enforce all material indemnities and rights against Obligors and investors in New Mountain Guardian Advisors BDC and the Taxable Entities with respect to any material Tax or withholding Tax; *provided*, that such payment and discharge shall not be required with respect to any such Taxes or other obligations so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and each of the Borrower, New Mountain Guardian Advisors BDC and the Taxable Entities shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such

contest operates to suspend collection of the contested obligation or Taxes and enforcement of a Lien.

(ii) At all times prior to the SPV Merger Date, (A) the AIV was a United States Person within the meaning of Section 7701(a)(30) of the Code and was treated as a partnership for U.S. federal income tax purposes and (B) the Borrower was a "disregarded entity" of the Collateral Administrator for U.S. federal income tax purposes.

(iii) At all times on or after the SPV Merger Date, (A) the BDC and AIV Holding will be United States Persons within the meaning of Section 7701(a)(30) of the Code and will be treated as corporations for U.S. federal income tax purposes, (B) New Mountain Guardian Advisors BDC will be a United States Person within the meaning of Section 7701(a)(30) of the Code and will be treated for U.S. federal income tax purposes as a disregarded entity wholly owned by a United States person within the meaning of Section 7701(a)(30) of the Code and (C) the Borrower will be a "disregarded entity" of the Collateral Administrator.

(iv) Each of the Borrower, the AIV, New Mountain Guardian Advisors BDC and each Taxable Entity will file or cause to be filed all material tax and information returns that are required to be filed by it.

(k) Use of Proceeds. The Borrower will use the proceeds of the Advances only to acquire Loans, to make distributions to its member in accordance with the terms hereof or to pay related expenses (including expenses payable hereunder).

(l) Obligor Notification Forms. The Administrative Agent may, in its discretion after the occurrence of a Collateral Administrator Termination Event or an Event of Default, send notification forms giving the Obligors notice of the Secured Parties' interest in the Collateral and the obligation to make payments as directed by the Administrative Agent; *provided* that, in the case of an occurrence of an Event of Default (other than an Event of Default described in Section 9.1(g)), the Administrative Agent may not send any notification forms to any Obligor until the earlier of (i) the next payment date of the applicable Eligible Loan related to such Obligor or (ii) thirty (30) days from the occurrence of such Event of Default.

(m) Adverse Claims. The Borrower will not create, or participate in the creation of, or permit to exist, any Liens on any of the Accounts other than the Lien created by this Agreement.

(n) Notices. The Borrower will furnish to the Administrative Agent:

(i) Income Tax Liability. Within ten (10) Business Days after the receipt of revenue agent reports or other written proposals, determinations or assessments of the Internal Revenue Service or any other taxing authority which propose, determine or otherwise set forth positive adjustments to the Tax liability of, or assess or propose the collection of Taxes required to have been withheld by, the Borrower, the Collateral Administrator, New Mountain Guardian Advisors BDC, any Taxable Entity or any equity owner of the Collateral Administrator which equal or exceed $1,000,000 in the aggregate, telephonic or facsimile notice (confirmed in writing within five (5) Business Days) specifying the nature of the items giving rise to such adjustments and the amounts thereof;

(ii) Auditors' Management Letters. Promptly after the receipt thereof, any auditors' management letters are received by the Borrower or by its accountants;

(iii) Representations and Warranties. Promptly after receiving knowledge or notice of the same, the Borrower shall notify the Administrative Agent if any representation or warranty set forth in Section 4.1 or Section 4.2 was incorrect at the time it was given or deemed to have been given and at the same time deliver to the Administrative Agent a written notice setting forth in reasonable detail the nature of such facts and circumstances. In particular, but without limiting the foregoing, the Borrower shall notify the Administrative Agent in the manner set forth in the preceding sentence before any Funding Date of any facts or circumstances within the knowledge of the Borrower which would render any of the said representations and warranties untrue as of such Funding Date;

(iv) ERISA. Promptly after receiving notice of any "reportable event" (as defined in Title IV of ERISA) with respect to the Borrower (or any ERISA Affiliate thereof), a copy of such notice;

(v) Proceedings. As soon as possible and in any event within three (3) Business Days after an executive officer of the Borrower receives notice or obtains knowledge thereof, notice of any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any material labor controversy, material litigation, material action, material suit or material proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Collateral, the Transaction Documents, the Secured Parties' interest in the Collateral, or the Borrower, the Collateral Administrator or the Seller or any of their Affiliates; *provided* that notwithstanding the foregoing, any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral, the Transaction Documents, the Secured Parties' interest in the Collateral, or the Borrower, the Collateral Administrator, the Seller or any of their Affiliates in excess of $1,000,000 or more shall be deemed to be material for purposes of this Section 5.1(n);

(vi) Notice of Certain Events. Promptly upon becoming aware thereof, notice of (1) any Collateral Administrator Termination Event, (2) any Value Adjustment Event, (3) any Change of Control, (4) any other event or circumstance that could reasonably be expected to have a Material Adverse Effect, (5) any event or circumstance whereby any Loan which was included in the latest calculation of the Borrowing Base as an Eligible Loan shall fail to meet one or more of the criteria (other than criteria waived by the Administrative Agent on or prior to the related Funding Date in respect of such Loan) listed in the definition of "Eligible Loan", (6) of the occurrence of any default by an Obligor on any Loan, (7) any amendment to the Fund Limited Partnership Agreement, (8) the date on which the SPV Merger will occur and (9) the date on which the IPO Date will occur;

(vii) Corporate Changes. As soon as possible and in any event within fifteen (15) Business Days after the effective date thereof, notice of any change in the name, jurisdiction of organization, corporate structure or location of records of the Borrower or the Collateral Administrator; *provided* that the Borrower agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or

otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral; and

(viii) Accounting Changes. As soon as possible and in any event within three (3) Business Days after the effective date thereof, notice of any change in the accounting policies of the Borrower.

(o) Contest Recharacterization. The Borrower shall in good faith contest or attempt to recharacterize the treatment of the Loans as property of the bankruptcy estate of the Seller.

(p) Payment Date Reporting. The Borrower shall deliver (or shall cause to be delivered) a Borrowing Base Certificate, determined as of the day that is two Business Days prior to each Payment Date, and delivered to the Administrative Agent and Collateral Custodian not later than the Business Day preceding the related Payment Date. Each such Borrowing Base Certificate shall contain instructions to the Collateral Custodian to withdraw on the related Payment Date from the applicable Collection Account and pay or transfer amounts set forth in such report in the manner specified, and in accordance with the priorities established, in Section 2.7 or Section 2.8, as applicable.

(q) [Intentionally Omitted.]

(r) [Intentionally Omitted.]

(s) Assets Under Management. Prior to the IPO Date, the Borrower will cause the General Partner to submit to the Administrative Agent and each Lender, within the time periods specified in Section 5.1(u) below, a certification by the General Partner of the aggregate assets and commitments of the New Mountain Funds as of the end of such fiscal quarter.

(t) Available Capital. Prior to the IPO Date the Borrower will cause the General Partner to submit to the Administrative Agent and each Lender, within the time periods specified in Section 5.1(u) below, a certification by the General Partner (i) of the amount of Available Capital as of the end of such fiscal quarter and (ii) that the terms and conditions specified in the definition of Available Capital are satisfied as of the date of the certification.

(u) Fund Financial Statements. Prior to the IPO Date, the Borrower will cause the Fund to submit to the Administrative Agent and each Lender promptly (but in any event within three (3) Business Days of the distribution by the Fund to its investors of the same), (A) after the end of each of its fiscal quarters (excluding the fiscal quarter ending on the date specified in clause (B)), commencing March 31, 2011, consolidated unaudited financial statements of the Fund for the most recent fiscal quarter, and (B) after the end of each fiscal year, commencing with the fiscal year ended December 31, 2010, consolidated audited financial statements of the Fund, audited by a firm of nationally recognized independent public accountants.

(v) Borrower Financial Statements. The Borrower will submit to the Administrative Agent and each Lender, (A) within sixty (60) days after the end of each of its fiscal quarters (excluding the fiscal quarter ending on the date specified in clause (B)), commencing March 31, 2011, consolidated unaudited financial statements of the Borrower for the most recent fiscal quarter, (B) within ninety (90) days after the end of each fiscal year, commencing with the fiscal year ended December 31, 2010, consolidated audited financial statements of the Borrower, audited by a firm of nationally recognized independent public accountants.

(w) BDC Financial Statements. After the SPV Merger Date, the Borrower will cause the BDC to submit to the Administrative Agent and each Lender, (A) within sixty (60) days after the end of each of its fiscal quarters (excluding the fiscal quarter ending on the date specified in clause (B)), commencing with the first fiscal quarter after the SPV Merger Date, consolidated unaudited financial statements of the BDC for the most recent fiscal quarter, (B) within ninety (90) days after the end of each fiscal year, commencing with the first fiscal year ended after the SPV Merger Date, consolidated audited financial statements of the BDC, audited by a firm of nationally recognized independent public accountants.

(x) Further Assurances. The Borrower will execute any and all further documents, financing statements, agreements and instruments, and take all further action (including filing UCC and other financing statements, agreements or instruments) that may be required under applicable law, or that the Administrative Agent may reasonably request, in order to effectuate the transactions contemplated by the Transaction Documents and in order to grant, preserve, protect and perfect the validity and first priority (subject to Permitted Liens) of the security interests and Liens created or intended to be created hereby. Such security interests and Liens will be created hereunder and the Borrower shall deliver or cause to be delivered to the Administrative Agent all such instruments and documents (including legal opinions and lien searches) as it shall reasonably request to evidence compliance with this Section 5.1(x). The Borrower agrees to provide such evidence as the Administrative Agent shall reasonably request as to the perfection and priority status of each such security interest and Lien.

(y) Non-Consolidation. The Borrower shall (i) at all times prior to the SPV Merger Date act in a manner such that each of the assumptions made by Simpson Thacher & Bartlett LLP in their opinion delivered pursuant to Section 3.1(f)(iii) is true and accurate in all material respects and (ii) at all times on and after the SPV Merger Date act in a manner such that each of the assumptions made by Simpson Thacher & Bartlett LLP in their opinion delivered pursuant to Section 5.1(bb)(i)(4) is true and accurate in all material respects. The Borrower shall at all times observe and be in compliance in all material respects with all covenants and requirements in the Borrower LLC Agreement.

(z) [Intentionally Omitted].

(aa) Payment of Fees and Expenses. The Administrative Agent and the Lenders shall have received, within one (1) Business Day of the Closing Date, all fees to be received in respect of the Closing Date referred to herein.

(bb) SPV Merger Deliverables.

(i) No later than two (2) Business Days prior to the occurrence of the SPV Merger Date, the Borrower shall deliver drafts of each of the following documents in form and substance acceptable to the Administrative Agent in its reasonable discretion:

(1) a certification from each of the Borrower and the Collateral Administrator in the form ofExhibit D, and such certification shall, with respect to the Collateral Administrator, include a representation that the Collateral Administrator has neither incurred nor suffered to exist any Indebtedness as of the SPV Merger Date, other than with respect to the Existing Facilities;

(2) a certificate from each of the Borrower and the Collateral Administrator as to whether such entity is Solvent in the form of Exhibit C;

(3) a certification from the Collateral Administrator that no Change of Control or Collateral Administrator Termination Event has occurred and is continuing;

(4) the legal opinion or opinions of Simpson, Thacher & Bartlett LLP counsel to the Borrower and the Collateral Administrator, covering (i) customary corporate opinions of the Collateral Administrator and (ii) non-consolidation of the Borrower; and

(5) the Collateral Administrator LLC Agreement referred to in clause (b) of the definition thereof.

(ii) Within one (1) Business Day after the occurrence of the SPV Merger, the Borrower shall deliver to the Administrative Agent duly executed copies of each document specified in Section 5.1(bb)(i), in each case, unless otherwise agreed in writing by the Administrative Agent, in the form approved by the Administrative Agent pursuant to Section 5.1(bb)(i).

(cc) Other. The Borrower will furnish to the Administrative Agent promptly, from time to time, such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of the Collateral Administrator or the Borrower as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent or the other Secured Parties under or as contemplated by this Agreement.

Section 5.2. Negative Covenants of the Borrower.

During the Covenant Compliance Period:

(a) Other Business. The Borrower will not (i) engage in any business other than (A) entering into and performing its obligations under the Transaction Documents and other activities contemplated by the Transaction Documents, (B) the acquisition, ownership and management of the Collateral and (C) the sale of Loans as permitted hereunder, (ii) incur any Indebtedness, obligation, liability or contingent obligation of any kind other than pursuant to this Agreement or (iii) form any Subsidiary or make any Investment in any other Person.

(b) Collateral Not to be Evidenced by Instruments. The Borrower will take no action to cause any Loan that is not, as of the Closing Date or the related Funding Date, as the case may be, evidenced by an Instrument, to be so evidenced except in connection with the enforcement or collection of such Loan or unless such Instrument is promptly delivered to the Administrative Agent, together with an Indorsement in blank, as collateral security for such Loan.

(c) Security Interests. Except as otherwise permitted herein and in respect of any Discretionary Sale, the Borrower will not sell, pledge, assign or transfer to any other Person, or grant, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) on any Collateral, whether now existing or hereafter transferred hereunder, or any interest therein. The Borrower will promptly notify the Administrative Agent of the existence of any Lien (other than Permitted Liens) on any Collateral and the Borrower shall defend the right, title and interest of the Administrative Agent, as agent for the Secured Parties in, to and under the Collateral against all claims of third parties; *provided* that nothing in this Section 5.2(c) shall prevent or be deemed to prohibit the Borrower from suffering to exist Permitted Liens upon any of the Collateral.

(d) Mergers, Acquisitions, Sales, etc. The Borrower will not be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or all or substantially all of the equity interests of any other Person, or sell, transfer, convey or lease all or substantially all of its assets, or sell or assign with or without recourse any Collateral or any interest therein (other than in connection with the SPV Merger or as otherwise permitted pursuant to this Agreement or the Sale Agreement).

(e) Sales of Loans. On and after the SPV Merger Date, the Borrower shall not purchase any Loans from, or sell any Loans to, the Seller or any Affiliate thereof.

(f) Change of Location of Underlying Instruments. The Borrower shall not, without the prior consent of the Administrative Agent, consent to the Collateral Custodian moving any Certificated Securities or Instruments from the Collateral Custodian's Corporate Trust Office on the Closing Date, unless the Borrower has given at least thirty (30) days' written notice to the Administrative Agent and has taken all actions required under the UCC of each relevant jurisdiction in order to ensure that the Secured Parties' first priority perfected security interest (subject to Permitted Liens) continues in effect.

(g) Accounting of Purchases. Other than for tax purposes, the Borrower will not account for or treat (whether in financial statements or otherwise) the transactions contemplated by the Sale Agreement in any manner other than as a sale of the Collateral to the Borrower.

(h) ERISA Matters. Except as would not reasonably be expected to constitute a Material Adverse Effect, the Borrower will not (a) engage or knowingly permit any ERISA Affiliate to engage in any prohibited transaction for which an exemption is not available or has not previously been obtained from the United States Department of Labor, (b) permit to exist any failure to satisfy minimum funding standards, as defined in Section 302(a) of ERISA and Section 412(a) of the Code, or funding deficiency with respect to any Pension Plan other than a Multiemployer Plan, (c) fail to make or knowingly permit any ERISA Affiliate to fail to make,

any payments to a Multiemployer Plan that the Borrower or any ERISA Affiliate may be required to make under the agreement relating to such Multiemployer Plan or any law pertaining thereto, (d) terminate any Pension Plan so as to result in any liability, or (e) permit to exist any occurrence of any Reportable Event with respect to a Pension Plan.

(i) Operating Agreement; Sale Agreement. The Borrower will not amend, modify, waive or terminate any provision of its operating agreement or the Sale Agreement without the prior written consent of the Administrative Agent.

(j) Changes in Payment Instructions to Obligors. The Borrower will not make any change, or permit the Collateral Administrator to make any change, in its instructions to Obligors regarding payments to be made with respect to the Collateral to the Collection Account, unless the Administrative Agent has consented to such change.

(k) Extension or Amendment of Collateral. The Borrower will not, except as otherwise permitted in Section 6.4(a) extend, amend or otherwise modify the terms of any Loan.

(l) Fiscal Year. The Borrower shall not change its fiscal year or method of accounting without providing the Administrative Agent with prior written notice (i) providing a detailed explanation of such changes and (ii) including a pro forma financial statements demonstrating the impact of such change.

(m) Change of Control. The Borrower shall not enter into any transaction or agreement which results in a Change of Control.

(n) Members of the Borrower. The Borrower shall not permit any Person which is not a "United States Person" within the meaning Section 7701(a)(30) of the Code to own any membership interests in the Borrower.

(o) Sole Ownership. The Borrower shall not have more than one (1) owner of its membership interests during the term of this Agreement.

(p) Disregarded Entities. The Borrower shall not file any election or take any position to be other than a "disregarded entity" for U.S. tax purposes.

(q) Limited Partnership Agreements. Prior to the IPO Date, the Borrower shall provide notice to the Administrative Agent of any amendment to any Limited Partnership Agreement promptly following the effectiveness of such amendment.

Section 5.3. Affirmative Covenants of the Collateral Administrator.

The Collateral Administrator covenants and agrees with the Lenders that so long as this Agreement shall remain in effect and until the principal of and interest on Advances and all other Fees, expenses or amounts payable under any Transaction Document shall have been paid in full:

(a) Compliance with Law. The Collateral Administrator will comply in all material respects with all Applicable Law, including those with respect to the Collateral or any part thereof.

(b) Preservation of Company Existence. The Collateral Administrator will (i) preserve and maintain its company existence, rights, franchises and privileges in the jurisdiction of its formation and (ii) qualify and remain qualified in good standing as a limited liability company in each jurisdiction where the failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect. For the avoidance of doubt, the merger of the Collateral Administrator in connection with the SPV Merger is permitted under this Section 5.3(b).

(c) Performance and Compliance with Collateral. The Collateral Administrator will duly fulfill and comply with all obligations on the part of the Borrower to be fulfilled or complied with under or in connection with each item of Collateral and will do nothing to impair the rights of the Administrative Agent, as agent for the Secured Parties, or of the Secured Parties in, to and under the Collateral.

(d) Keeping of Records and Books of Account.

(i) The Collateral Administrator will maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate records evidencing Collateral in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all Collateral and the identification of the Collateral.

(ii) The Collateral Administrator shall permit the Administrative Agent or its designated representatives to visit the offices of the Collateral Administrator during normal office hours and upon reasonable notice and examine and make copies of all documents, books, records and other information concerning the Collateral and discuss matters related thereto with any of the officers or employees of the Collateral Administrator having knowledge of such matters.

(iii) The Collateral Administrator will on or prior to the date hereof, mark its master data processing records and other books and records relating to the Collateral with a legend, acceptable to the Administrative Agent, describing (A) the sale of the Collateral to the Borrower pursuant to the Sale Agreement and (B) the transfer of the Collateral from the Borrower to the Administrative Agent as agent for the Secured Parties hereunder.

(e) Preservation of Security Interest. The Collateral Administrator (at its own expense) will authorize the Administrative Agent to file such financing and continuation statements and any other documents that may be required by any law or regulation of any Governmental Authority to preserve and protect fully the first priority perfected ownership and security interest of the Administrative Agent, as agent for the Secured Parties in, to and under the Loans and proceeds thereof and that portion

of the Collateral in which a security interest may be perfected by filing.

(f) Credit and Collection Policy. The Collateral Administrator will (i) comply in all material respects with the Credit and Collection Policy in regard to the Collateral, and (ii) furnish to the Administrative Agent prior to its effective date, prompt written notice of any changes in the Credit and Collection Policy. The Collateral Administrator will not agree to

or otherwise permit to occur any material change in the Credit and Collection Policy without the prior written consent of the Administrative Agent;*provided* that no consent shall be required from the Administrative Agent in connection with any change mandated by Applicable Law or a Governmental Authority as evidenced by an Opinion of Counsel to that effect delivered to the Administrative Agent. Compliance by the Collateral Administrator with this covenant shall be deemed to constitute compliance by the Borrower with its corresponding obligations under Sections 5.1(h).

(g) Events of Default. Promptly following the Collateral Administrator's knowledge or notice of the occurrence of any Event of Default or Default, the Collateral Administrator will provide the Administrative Agent with written notice of the occurrence of such Event of Default or Default of which the Collateral Administrator has knowledge or has received notice. In addition, such notice will include a written statement of a Responsible Officer of the Collateral Administrator setting forth the details of such event and the action that the Collateral Administrator proposes to take with respect thereto.

(h) Taxes.

(i) Each of the Collateral Administrator and its equity owners shall pay its material Indebtedness and other obligations promptly and in accordance with their terms and timely pay and discharge promptly when due all material Taxes and withholding Tax obligations before the same shall become delinquent or in default, as well as all material lawful claims for labor, materials and supplies or otherwise that, if unpaid, might give rise to a Lien upon such properties or any part thereof and enforce all material indemnities and rights against Obligors and investors in the Taxable Entities with respect to any material Tax or withholding Tax; *provided*, that such payment and discharge shall not be required with respect to any such Taxes or other obligations so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Collateral Administrator shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation or Taxes and enforcement of a Lien. Each of the Collateral Administrator and its equity owners shall file or cause to be filed all material Tax and information returns required to be filed by it.

(ii) At all times prior to the SPV Merger Date, the Collateral Administrator was a "disregarded entity" of the AIV for U.S. federal income tax purposes and at all times on or after the SPV Merger Date, the Collateral Administrator will be United States Person within the meaning of Section 7701(a)(30) of the Code, will be treated as a partnership for U.S. federal income tax purposes, and will be owned by the Taxable Entities and other entities that are United States Persons within the meaning of Section 7701(a)(30) of the Code.

(i) Other. The Collateral Administrator will promptly furnish to the Administrative Agent such other information, documents, records or reports respecting the Collateral or the condition or operations, financial or otherwise, of the Collateral Administrator as the Administrative Agent may from time to time reasonably request in order to protect the interests of the Administrative Agent or Secured Parties under or as contemplated by this Agreement.

(j) Proceedings. The Collateral Administrator will furnish to the Administrative Agent, as soon as possible and in any event within three (3) Business Days after the Collateral Administrator receives notice or obtains knowledge thereof, notice of any settlement of, material judgment (including a material judgment with respect to the liability phase of a bifurcated trial) in or commencement of any material labor controversy, material litigation, material action, material suit or material proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting the Collateral, the Transaction Documents, the Secured Parties' interest in the Collateral, or the Borrower, the Collateral Administrator or the Seller or any of their Affiliates; *provided* that notwithstanding the foregoing, any settlement, judgment, labor controversy, litigation, action, suit or proceeding affecting the Collateral, the Transaction Documents, the Secured Parties' interest in the Collateral, or the Borrower, the Collateral Administrator, the Seller or any of their Affiliates in excess of $1,000,000 or more shall be deemed to be material for purposes of this Section 5.3(j).

(k) Deposit of Collections. The Collateral Administrator shall promptly (but in no event later than two (2) Business Days after receipt) deposit into the Collection Account any and all Collections received by the Borrower or the Collateral Administrator.

(l) Required Notices. The Collateral Administrator will furnish to the Administrative Agent, promptly upon becoming aware thereof, notice of (1) any Collateral Administrator Termination Event, (2) any Value Adjustment Event, (3) any Change of Control, (4) any other event or circumstance that could reasonably be expected to have a Material Adverse Effect, (5) any event or circumstance whereby any Loan which was included in the latest calculation of the Borrowing Base as an Eligible Loan shall fail to meet one or more of the criteria (other than criteria waived by the Administrative Agent on or prior to the related Funding Date in respect of such Loan) listed in the definition of "Eligible Loan" or (6) the occurrence of any default by an Obligor on any Loan.

(m) Accounting Changes. As soon as possible and in any event within three (3) Business Days after the effective date thereof, the Collateral Administrator will provide to the Administrative Agent notice of any change in the accounting policies of the Collateral Administrator.

Section 5.4. Negative Covenants of the Collateral Administrator.

During the Covenant Compliance Period:

(a) Mergers, Acquisition, Sales, etc. The Collateral Administrator will not be a party to any merger or consolidation, or purchase or otherwise acquire all or substantially all of the assets or all or substantially all of the equity interests any other Person, or sell, transfer, convey or lease all or substantially all of its assets, or sell or assign with or without recourse any Collateral or any interest therein (other than in connection with the SPV Merger or as otherwise permitted pursuant to this Agreement or the Sale Agreement).

(b) Change of Location of Underlying Instruments. The Collateral Administrator shall not, without the prior consent of the Administrative Agent, consent to the

Collateral Custodian moving any Certificated Securities or Instruments from the Collateral Custodian's Corporate Trust Office on the Closing Date, unless the Collateral Administrator has given at least thirty (30) days' written notice to the Administrative Agent and has authorized the Administrative Agent to take all actions required under the

UCC of each relevant jurisdiction in order to continue the first priority perfected security interest of the Administrative Agent as agent for the Secured Parties in the Collateral.

(c) Change in Payment Instructions to Obligors. The Collateral Administrator will not make any change in its instructions to Obligors regarding payments to be made with respect to the Collateral to the Collection Account, unless the Administrative Agent has consented to such change.

(d) Extension or Amendment of Collateral. The Collateral Administrator will not, except as otherwise permitted in Section 6.4(a), extend, amend or otherwise modify the terms of any Loan.

(e) Members of the Collateral Administrator. The Collateral Administrator shall not permit any Person which is not a "United States Person" within the meaning Section 7701(a)(30) of the Code to own any membership interests in the Borrower.

(f) Sole Ownership. Prior to the SPV Merger Date, the Collateral Administrator shall not have more than one (1) owner of its membership interests during the term of this Agreement.

(g) Disregarded Entities. Prior to the SPV Merger Date, the Collateral Administrator shall not file any election or take any position to be other than a "disregarded entity" for U.S. tax purposes.

(h) Restrictions With Respect to Permitted Financing Arrangements. The Collateral Administrator shall not incur or suffer to exist any Indebtedness (other than Indebtedness under the Existing Facilities) without (i) providing prior written notice to the Administrative Agent of its intention to enter into a Permitted Financing Arrangement pursuant to which it will incur Indebtedness, (ii) requiring each lender under any such Permitted Financing Arrangement to expressly acknowledge that it has (A) no recourse to (x) the Collateral and (y) the membership interests (in whole or in part) of the Borrower and (B) that any amounts owed to such lender under the related agreement pursuant to which any such Indebtedness is incurred are expressly subordinate to the Collateral and any proceeds of the Collateral, (iii) include both a non-petition provision and a third party beneficiary provision with respect to the Secured Parties, in form and substance acceptable to Administrative Agent and (iv) providing evidence to the Administrative Agent of its compliance with the requirements set forth in clauses (ii) and (iii).

Section 5.5. Affirmative Covenants of the Collateral Custodian.

During the Covenant Compliance Period:

(a) Compliance with Law. The Collateral Custodian will comply in all material respects with all Applicable Law.

(b) Preservation of Existence. The Collateral Custodian will preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its formation and qualify and remain qualified in good standing in each jurisdiction where failure to preserve and maintain such existence, rights, franchises, privileges and qualification has had, or could reasonably be expected to have, a Material Adverse Effect.

(c) Location of Underlying Instruments. Subject to Section 7.8, the Underlying Instruments shall remain at all times in the possession of the Collateral Custodian at the Corporate Trust Office unless notice of a different address is given in accordance with the terms hereof or unless the Administrative Agent agrees to allow certain Underlying Instruments to be released to the Collateral Administrator on a temporary basis in accordance with the terms hereof, except as such Underlying Instruments may be released pursuant to this Agreement.

Section 5.6. Negative Covenants of the Collateral Custodian.

During the Covenant Compliance Period:

(a) Underlying Instruments. The Collateral Custodian will not dispose of any documents constituting the Underlying Instruments in any manner that is inconsistent with the performance of its obligations as the Collateral Custodian pursuant to this Agreement and will not dispose of any Collateral except as contemplated by this Agreement.

(b) No Changes to Collateral Custodian Fee. The Collateral Custodian will not make any changes to the Collateral Custodian Fee set forth in the Collateral Custodian Fee Letter without the prior written approval of the Administrative Agent and the Borrower.

ARTICLE VI.

COLLATERAL ADMINISTRATION

Section 6.1. Designation of the Collateral Administrator.

Subject to Section 6.11, the servicing, administering and collection of the Collateral shall be conducted by the Collateral Administrator.

Section 6.2. Duties of the Collateral Administrator.

(a) Appointment. The Borrower hereby appoints the Collateral Administrator as its agent to service the Collateral and enforce its rights and remedies in, to and under such Collateral. The Collateral Administrator hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto as set forth herein. The Collateral Administrator and the Borrower hereby acknowledge that the Administrative Agent and the other Secured Parties are third party beneficiaries of the obligations undertaken by the Collateral Administrator hereunder.

(b) Duties. The Collateral Administrator shall take or cause to be taken all such actions as may be necessary or advisable to collect on the Collateral from time to time, all

in accordance with Applicable Law and the Credit and Collection Policy. Without limiting the foregoing, the duties of the Collateral Administrator shall include the following:

(i) preparing and submitting claims to, and acting as post-billing liaison with, Obligors on each Loan (for which no administrative or similar agent exists);

(ii) maintaining all necessary records and reports with respect to the Collateral and providing such reports to the Administrative Agent in

respect of the management and administration of the Collateral (including information relating to its performance under this Agreement) as may be required hereunder or as the Administrative Agent may reasonably request;

(iii) maintaining and implementing administrative and operating procedures (including, without limitation, an ability to recreate management and administration records evidencing the Collateral in the event of the destruction of the originals thereof) and keeping and maintaining all documents, books, records and other information reasonably necessary or advisable for the collection of the Collateral;

(iv) promptly delivering to the Administrative Agent or the Collateral Custodian, from time to time, such information and management and administration records (including information relating to its performance under this Agreement) as the Administrative Agent or the Collateral Custodian may from time to time reasonably request;

(v) identifying each Loan clearly and unambiguously in its records to reflect that such Loan is owned by the Borrower and that the Borrower is transferring an ownership interest therein to the Secured Parties pursuant to this Agreement;

(vi) notifying the Administrative Agent of any material action, suit, proceeding, dispute, offset, deduction, defense or counterclaim (1) that is or is threatened to be asserted by an Obligor with respect to any Loan (or portion thereof) of which it has knowledge or has received notice; or (2) that could reasonably be expected to have a Material Adverse Effect;

(vii) providing the prompt written notice to the Administrative Agent, prior to the effective date thereof, of any proposed changes in the Credit and Collection Policy;

(viii) using its reasonable best efforts to maintain the first priority, perfected security interest (subject to Permitted Liens) of the Administrative Agent, as agent for the Secured Parties, in the Collateral;

(ix) maintaining the Loan File(s) with respect to Loans included as part of the Collateral; *provided* that upon the occurrence and during the continuance of an Event of Default or a Collateral Administrator Termination Event, the Administrative Agent may request the Loan File(s) to be sent to the Administrative Agent or its designee;

(x) with respect to each Loan included as part of the Collateral, making the Loan File available for inspection by the Administrative Agent, upon reasonable advance notice, at the offices of the Collateral Administrator during normal business hours; and

(xi) directing the Collateral Custodian to make payments pursuant to the instructions set forth in the latest Borrowing Base Certificate in accordance with Section 2.7 and Section 2.8 and preparing such other reports as required pursuant to Section 6.8.

It is acknowledged and agreed that in circumstances in which a Person other than the Borrower or the Collateral Administrator acts as lead agent with respect to any Loan, the Collateral Administrator shall perform its administrative and management duties hereunder only to the extent that, as a lender under the related loan syndication Underlying Instruments, it has the right to do so.

(c) Notwithstanding anything to the contrary contained herein, the exercise by the Administrative Agent or the Secured Parties of their rights hereunder (including, but not limited to, the delivery of a Collateral Administrator Termination Notice), shall not release the Collateral Administrator, the Seller or the Borrower from any of their duties or responsibilities with respect to the Collateral. The Secured Parties, the Administrative Agent and the Collateral Custodian shall not have any obligation or liability with respect to any Collateral, other than to use reasonable care in the custody and preservation of collateral in such party's possession, nor shall any of them be obligated to perform any of the obligations of the Collateral Administrator hereunder.

(d) Any payment by an Obligor in respect of any Indebtedness owed by it to the Borrower shall, except as otherwise specified by such Obligor or otherwise required by contract or law and unless otherwise instructed by the Administrative Agent, be applied as a collection of a payment by such Obligor (starting with the oldest such outstanding payment due) to the extent of any amounts then due and payable thereunder before being applied to any other receivable or other obligation of such Obligor.

Section 6.3. Authorization of the Collateral Administrator.

(a) Each of the Borrower, the Administrative Agent and each Lender hereby authorizes the Collateral Administrator to take any and all reasonable steps in its name and on its behalf necessary or desirable in the determination of the Collateral Administrator and not inconsistent with the sale of the Collateral to the Borrower under the Sale Agreement and thereafter, the transfer by the Borrower to the Administrative Agent, on behalf of the Secured Parties, hereunder, to collect all amounts due under any and all Collateral, including, without limitation, endorsing any of their names on checks and other instruments representing Collections, executing and delivering any and all instruments of satisfaction or cancellation, or of partial or full release or discharge, and all other comparable instruments, with respect to the Collateral and, after the delinquency of any Collateral and to the extent permitted under and in compliance with Applicable Law, to commence proceedings with respect to enforcing payment thereof, to the same extent as the Seller could have done if it had continued to own such Collateral. The Seller, the Borrower and the Administrative Agent, on behalf of the Secured Parties shall furnish the Collateral Administrator with any powers of attorney and other documents necessary or appropriate to enable the Collateral Administrator to carry out its management and administrative duties hereunder, and shall cooperate with the Collateral Administrator to the fullest extent in order to ensure the collectability of the Collateral. In no event shall the Collateral Administrator be entitled to make any Secured Party or the Collateral

Custodian a party to any litigation without such party's express prior written consent, or to make the Borrower a party to any litigation (other than any foreclosure or similar collection procedure) without the Administrative Agent's consent.

(b) After the declaration of the Termination Date, at the direction of the Administrative Agent, the Collateral Administrator shall take such action as the Administrative Agent may deem necessary or advisable to enforce collection of the Collateral; *provided* that the Administrative Agent may, in accordance with Section 5.1(l), notify any Obligor with respect to any Collateral of the assignment of such Collateral to the Administrative Agent, on behalf of the Secured Parties, and direct that payments of all amounts due or to become due be made directly to the Administrative Agent or any collection agent, sub-agent or account designated by the Administrative Agent and, upon such notification and at the expense of the Borrower, the Administrative Agent may enforce collection of any such Collateral, and adjust, settle or compromise the amount or payment thereof.

Section 6.4. Collection of Payments; Accounts.

(a) Collection Efforts, Modification of Collateral. The Collateral Administrator will use commercially reasonable best efforts to collect or cause to be collected, all payments called for under the terms and provisions of the Loans included in the Collateral as and when the same become due in accordance with the Credit and Collection Policy. The Collateral Administrator may not waive, modify or otherwise vary any provision of an item of Collateral in any manner contrary in any material

respect to the Credit and Collection Policy.

(b) Taxes and other Amounts. The Collateral Administrator will use its reasonable best efforts to collect all payments with respect to amounts due for Taxes, assessments and insurance premiums relating to each Loan to the extent required to be paid to the Borrower for such application under the Underlying Instrument and remit such amounts in accordance with Section 2.7 and Section 2.8 to the appropriate Governmental Authority or insurer as required by the Underlying Instruments.

(c) Payments to Collection Account. On or before the applicable Funding Date, the Collateral Administrator shall have instructed all Obligors to make all payments owing to the Borrower in respect of the Collateral directly to the applicable Collection Account; *provided* that the Collateral Administrator is not required to so instruct any Obligor which is solely a guarantor unless and until the Collateral Administrator calls on the related guaranty.

(d) Accounts. Each of the parties hereto hereby agrees that each Account shall be deemed to be a Securities Account. Each of the parties hereto hereby agrees to cause the Collateral Custodian or any other Securities Intermediary that holds any Cash or other Financial Asset for the Borrower in an Account to agree with the parties hereto that (A) the cash and other property (subject to Section 6.4(e) below with respect to any property other than investment property, as defined in Section 9-102(a)(49) of the UCC) is to be treated as a Financial Asset and (B) the jurisdiction governing the Account, all Cash and other Financial Assets credited to the Account and the "securities intermediary's jurisdiction" (within the meaning of Section 8-110(e) of the UCC) shall, in each case, be the State of New York. In no event may any Financial Asset held in any Account be registered in the name of, payable to the order of, or specially Indorsed

to, the Borrower, unless such Financial Asset has also been Indorsed in blank or to the Collateral Custodian or other Securities Intermediary that holds such Financial Asset in such Account.

(e) Underlying Instruments. Notwithstanding any term hereof (or any term of the UCC that might otherwise be construed to be applicable to a "securities intermediary" as defined in the UCC) to the contrary, none of the Collateral Custodian nor any Securities Intermediary shall be under any duty or obligation in connection with the acquisition by the Borrower, or the grant by the Borrower to the Administrative Agent, of any Loan to examine or evaluate the sufficiency of the documents or instruments delivered to it by or on behalf of the Borrower under the related Underlying Instruments, or otherwise to examine the Underlying Instruments, in order to determine or compel compliance with any applicable requirements of or restrictions on transfer (including without limitation any necessary consents). The Collateral Custodian shall hold any Instrument delivered to it evidencing any Loan transferred to the Administrative Agent hereunder as custodial agent for the Administrative Agent in accordance with the terms of this Agreement.

(f) Adjustments. If (i) the Collateral Administrator makes a deposit into the Collection Account on behalf of the Borrower in respect of a Collection of a Loan and such Collection was received by the Collateral Administrator in the form of a check that is not honored for any reason or (ii) the Collateral Administrator makes a mistake with respect to the amount of any Collection and deposits an amount that is less than or more than the actual amount of such Collection, the Collateral Administrator shall appropriately adjust the amount subsequently deposited into the Collection Account to reflect such dishonored check or mistake. Any Scheduled Payment in respect of which a dishonored check is received shall be deemed not to have been paid.

Section 6.5. Realization Upon Loans subject to a Value Adjustment Event.

The Collateral Administrator will use reasonable efforts consistent with the Underlying Instruments to exercise available remedies relating to a Loan that has become subject to one or more Value Adjustment Events in order to maximize recoveries thereunder. The Collateral Administrator will comply in all material respects with the Credit and Collection Policy and Applicable Law in exercising such remedies, including but not limited to acceleration and foreclosure, and employ practices and procedures including reasonable efforts to enforce all obligations of Obligors by foreclosing upon and causing the sale of such Underlying Assets at public or private sale. Without limiting the generality of the foregoing, the Collateral Administrator may, with the prior written consent of the Administrative Agent, cause the sale of any such Underlying Assets to the Collateral Administrator or its Affiliates for a purchase price equal to the then fair market value thereof, any such sale to be evidenced by a certificate of a Responsible Officer of the Collateral Administrator delivered to the Administrative Agent setting forth the Loan, the Underlying Assets, the sale price of the Underlying Assets and certifying that such sale price is the fair market value of such Underlying Assets.

Section 6.6. Collateral Administrator Compensation.

As compensation for its administrative and management activities hereunder and reimbursement for its expenses, the Collateral Administrator or its designee shall be entitled to

receive the Collateral Administration Fee pursuant to the provisions of Section 2.7(a)(2), Section 2.7(b)(2), and Section 2.8(2) as applicable.

Section 6.7. Payment of Certain Expenses by Collateral Administrator.

The Collateral Administrator will be required to pay all expenses incurred by it in connection with its activities under this Agreement, including fees and disbursements of its independent accountants, Taxes imposed on the Collateral Administrator, expenses incurred by the Collateral Administrator in connection with payments and reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement for the account of the Borrower. The Collateral Administrator will be required to pay (or cause the Borrower to pay) all reasonable fees and expenses owing to any bank or trust company in connection with the maintenance of the Accounts. The Collateral Administrator shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Collateral Administration Fee.

Section 6.8. Reports.

(a) Borrower's Notice. On each Funding Date and on each reinvestment of Principal Collections pursuant to Section 2.7(b) or Section 2.7(c), the Borrower (and the Collateral Administrator on its behalf) will provide the applicable Borrower's Notice and a Borrowing Base Certificate, each updated as of such date, to the Administrative Agent (with a copy to the Collateral Custodian).

(b) Tax Returns. Upon demand by the Administrative Agent, the Collateral Administrator shall deliver copies of all federal, state and local income tax returns and reports filed by the Borrower and the Collateral Administrator, or in which the Borrower or the Collateral Administrator was included on a consolidated or combined basis (excluding sales, use and like Taxes).

(c) Obligor Financial Statements; Other Reports. The Collateral Administrator will deliver to the Administrative Agent, to the extent received by the Borrower or the Collateral Administrator pursuant to the Underlying Instruments, the complete financial reporting package with respect to each Obligor and with respect to each Loan for such Obligor (including any financial statements, management discussion and analysis, executed covenant compliance certificates and related covenant calculations with respect to such Obligor and with respect to each Loan for such Obligor) provided to the Borrower or the Collateral Administrator for the periods required by the Underlying Instruments, which delivery shall be made within five (5) Business Days after receipt by the Borrower or the Collateral Administrator as specified in the

Underlying Instruments. Upon demand by the Administrative Agent, the Collateral Administrator will provide such other information available to it as the Administrative Agent may reasonably request with respect to any Obligor.

(d) Amendments to Loans. The Collateral Administrator will post on a password protected website maintained by the Borrower to which the Administrative Agent will have access a copy of any material amendment, restatement, supplement, waiver or other modification to the Underlying Instruments of any Loan (along with any internal documents

prepared by the Collateral Administrator and provided to its investment committee in connection with such amendment, restatement, supplement, waiver or other modification) within ten (10) Business Days of the effectiveness of such amendment, restatement, supplement, waiver or other modification.

Section 6.9. Annual Statement as to Compliance.

The Collateral Administrator will provide to the Administrative Agent, within 90 days following the end of each fiscal year of the Collateral Administrator, commencing with the fiscal year ending on December 31, 2010, a fiscal report signed by a Responsible Officer of the Collateral Administrator certifying that (a) a review of the activities of the Collateral Administrator, and the Collateral Administrator's performance pursuant to this Agreement, for the fiscal period ending on the last day of such fiscal year has been made under such Person's supervision and (b) the Collateral Administrator has performed or has caused to be performed in all material respects all of its obligations under this Agreement throughout such year and no Collateral Administrator Termination Event has occurred and is continuing or, if any such Collateral Administrator Termination Event has occurred and is continuing, a statement describing the nature thereof and the steps being taken to remedy such Collateral Administrator Termination Event.

Section 6.10. The Collateral Administrator Not to Resign.

The Collateral Administrator shall not resign from the obligations and duties hereby imposed on it except upon the Collateral Administrator's determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and (ii) there is no reasonable action that the Collateral Administrator could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Collateral Administrator shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Administrative Agent.

Section 6.11. Collateral Administrator Termination Events.

Upon the occurrence of a Collateral Administrator Termination Event, notwithstanding anything herein to the contrary, the Administrative Agent, by written notice to the Collateral Administrator and a copy to the Collateral Custodian (such notice, a "Collateral Administrator Termination Notice"), may, in its sole discretion, terminate all of the rights and obligations of the Collateral Administrator as Collateral Administrator under this Agreement. Following any such termination, the Administrative Agent may, in its sole discretion, assume or delegate the servicing, administering and collection of the Collateral; *provided* that, until any such assumption or delegation, the Collateral Administrator shall (i) unless otherwise notified by the Administrative Agent, continue to act in such capacity pursuant to Section 6.1 and (ii) as requested by the Administrative Agent (A) terminate some or all of its activities as Collateral Administrator hereunder in the manner requested by the Administrative Agent in its sole discretion as necessary or desirable, (B) provide such information as may be reasonably requested by the Administrative Agent to facilitate the transition of the performance of such activities to the Administrative Agent or any agent thereof and (C) take all other actions

requested by the Administrative Agent, in each case to facilitate the transition of the performance of such activities to the Administrative Agent or any agent thereof.

ARTICLE VII.

THE COLLATERAL CUSTODIAN

Section 7.1. Designation of Collateral Custodian.

(a) Initial Collateral Custodian. The role of collateral custodian with respect to the Underlying Instruments shall be conducted by the Person designated as Collateral Custodian hereunder from time to time in accordance with this Section 7.1. Until the Administrative Agent shall give to Wells Fargo a Collateral Custodian Termination Notice, Wells Fargo is hereby appointed as, and hereby accepts such appointment and agrees to perform the duties and obligations of, Collateral Custodian pursuant to the terms hereof.

(b) Successor Collateral Custodian. Upon the Collateral Custodian's receipt of a Collateral Custodian Termination Notice from the Administrative Agent of the designation of a successor Collateral Custodian pursuant to the provisions of Section 7.5, the Collateral Custodian agrees that it will terminate its activities as Collateral Custodian hereunder.

Section 7.2. Duties of Collateral Custodian.

(a) Appointment. Each of the Borrower and the Administrative Agent hereby designate and appoint the Collateral Custodian to act as its agent and hereby authorizes the Collateral Custodian to take such actions on its behalf and to exercise such powers and perform such duties as are expressly granted to the Collateral Custodian by this Agreement. The Collateral Custodian hereby accepts such agency appointment to act as Collateral Custodian pursuant to the terms of this Agreement, until its resignation or removal as Collateral Custodian pursuant to the terms hereof.

(b) Duties. On or before the initial Funding Date, and until its removal pursuant to Section 7.5, the Collateral Custodian shall perform, on behalf of the Administrative Agent and the Secured Parties, the following duties and obligations:

(i) The Collateral Custodian shall take and retain custody of the Required Loan Documents delivered by the Borrower pursuant to the definition of "Eligible Loans" in accordance with the terms and conditions of this Agreement, all for the benefit of the Secured Parties and subject to the Lien thereon in favor of the Administrative Agent, as agent for the Secured Parties. Within five (5) Business Days of its receipt of any Underlying Instruments, the Collateral Custodian shall review the Required Loan Documents delivered to it to confirm that (A) if the files delivered per the following sentence indicate that any document must contain an original signature, each such document appears to bear the original signature, or if the file indicates that such document must contain a copy of a signature, that such copies appear to bear a reproduction of such signature and (B) based on a review of the applicable note, the related original Loan balance, Loan identification number and Obligor name with respect to such Loan is referenced on the related Loan List and is not a duplicate Loan (such items (A) through (B) collectively, the "Review Criteria"). In order to facilitate the foregoing review by the Collateral

Custodian, in connection with each delivery of Underlying Instruments hereunder to the Collateral Custodian, the Collateral Administrator shall provide to the Collateral Custodian an electronic file (in EXCEL or a comparable format acceptable to the Collateral Custodian) that contains a list of all Required Loan Documents and whether they require original signatures, the Loan identification number and the name of the Obligor and the original Loan balance with respect to each related Loan. If, at the conclusion of such review, the Collateral Custodian shall determine that (1) the original Loan balances of the Loans with respect to which it has received Underlying Instruments is less than as set forth on the electronic file, the Collateral Custodian shall immediately notify the Administrative Agent and the Collateral Administrator of such discrepancy, and (2) any Review Criteria is not satisfied, the Collateral Custodian shall within one (1) Business Day notify the Collateral Administrator of such determination and provide the Collateral Administrator with a list of the non-complying Loans and the applicable Review Criteria that they fail to satisfy. The Collateral Administrator shall have ten (10) Business Days to correct any non-compliance with any Review Criteria. If after the conclusion of such time period the Collateral Administrator has still not cured any non-compliance by a Loan with any Review Criteria, the Collateral Custodian shall promptly notify the Borrower and the Administrative Agent of such determination by providing a written report to such persons identifying, with particularity, each Loan and each of the applicable Review Criteria that such Loan fails to satisfy. In addition, if requested in writing in the form of Exhibit E by the Collateral Administrator and approved by the Administrative Agent within ten (10) Business Days of the Collateral Custodian's delivery of such report, the Collateral Custodian shall return the Underlying Instruments for any Loan which fails to satisfy a Review Criteria to the Borrower. Other than the foregoing, the Collateral Custodian shall not have any responsibility for reviewing any Underlying Instruments.

(ii) In taking and retaining custody of the Underlying Instruments, the Collateral Custodian shall be deemed to be acting as the agent of the Secured Parties; *provided* that the Collateral Custodian makes no representations as to the existence, perfection or priority of any Lien on the Underlying Instruments or the instruments therein; and *provided further* that the Collateral Custodian's duties as agent shall be limited to those expressly contemplated herein.

(iii) All Underlying Instruments that are originals or copies shall be kept in fire resistant vaults, rooms or cabinets at the Corporate Trust Office. All Underlying Instruments that are originals or copies shall be placed together with an appropriate identifying label and maintained in such a manner so as to permit retrieval and access. All Underlying Instruments that are originals or copies shall be clearly segregated from any other documents or instruments maintained by the Collateral Custodian. All Underlying Instruments that are delivered to the Collateral Custodian in electronic format shall be saved onto disks and/or onto the Collateral Custodian's secure computer system, and maintained in a manner so as to permit retrieval and access.

(iv) The Collateral Custodian shall make payments in accordance with Section 2.7 and Section 2.8 (the "Payment Duties").

(v) On each Reporting Date, the Collateral Custodian shall provide a written report to the Administrative Agent and the Collateral Administrator (in a form acceptable

to the Administrative Agent) identifying each Loan for which it holds Underlying Instruments, the non-complying Loans and the applicable Review Criteria that any non-complying Loan fails to satisfy.

(vi) The Collateral Custodian shall, promptly upon its actual receipt of a Borrowing Base Certificate from the Borrower, calculate the Borrowing Base and, if the Collateral Custodian's calculation does not correspond with the calculation provided by the Borrower on such Borrowing Base Certificate, deliver such calculation to each of the Administrative Agent, Borrower and Collateral Administrator within one (1) day of receipt by the Collateral Custodian of such Borrowing Base Certificate.

(vii) In performing its duties, (A) the Collateral Custodian shall use a similar degree of care and attention as it employs with respect to similar collateral that it holds as collateral custodian for others and (B) all calculations made by the Collateral Custodian pursuant to this Section 7.2(b) using Advance Rate, EBITDA and Unrestricted Cash of any Obligor (or, with respect to Advance Rate, Loan) shall be made using such amounts as provided by the Borrower or the Collateral Administrator to the Collateral Custodian.

Section 7.3. Merger or Consolidation.

Any Person (i) into which the Collateral Custodian may be merged or consolidated, (ii) that may result from any merger or consolidation to which the Collateral Custodian shall be a party, or (iii) that may succeed to the properties and assets of the Collateral Custodian substantially as a whole, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Collateral Custodian hereunder, shall be the successor to the Collateral Custodian under this Agreement without further act of any of the parties to this Agreement.

Section 7.4. Collateral Custodian Compensation.

As compensation for its collateral custodian activities hereunder, the Collateral Custodian shall be entitled to a Collateral Custodian Fee pursuant to the provision of Section 2.7(a)(1) Section 2.7(b)(1) or Section 2.8(1), as applicable. The Collateral Custodian's entitlement to receive the Collateral Custodian Fee shall cease on the earlier to occur of: (i) its removal as Collateral Custodian pursuant to Section 7.5 or (ii) the termination of this Agreement.

Section 7.5. Collateral Custodian Removal.

The Collateral Custodian may be removed, with or without cause, by the Administrative Agent by notice given in writing to the Collateral Custodian (the "Collateral Custodian Termination Notice"); *provided* that notwithstanding its receipt of a Collateral Custodian Termination Notice, the Collateral Custodian shall continue to act in such capacity until a successor Collateral Custodian has been appointed, has agreed to act as Collateral Custodian hereunder, and has received all Underlying Instruments held by the previous Collateral Custodian.

Section 7.6. Limitation on Liability.

(a) The Collateral Custodian may conclusively rely on and shall be fully protected in acting upon any certificate, instrument, opinion, notice, letter, telegram or other document delivered to it and that in good faith it reasonably believes to be genuine and that has been signed by the proper party or parties. The Collateral Custodian may rely conclusively on and shall be fully protected in acting upon (a) the written instructions of any designated officer of the Administrative Agent or (b) the verbal instructions of the Administrative Agent.

(b) The Collateral Custodian may consult counsel satisfactory to it and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(c) The Collateral Custodian shall not be liable for any error of judgment, or for any act done or step taken or omitted by it, in good faith, or for any mistakes of fact or law, or for anything that it may do or refrain from doing in connection herewith except, notwithstanding anything to the contrary contained herein, in the case of its willful misconduct, bad faith or grossly negligent performance or omission of its duties and in the case of its grossly negligent performance of its Payment Duties

and in the case of its grossly negligent performance of its duties in taking and retaining custody of the Underlying Instruments.

(d) The Collateral Custodian makes no warranty or representation and shall have no responsibility (except as expressly set forth in this Agreement) as to the content, enforceability, completeness, validity, sufficiency, value, genuineness, ownership or transferability of the Collateral, and will not be required to and will not make any representations as to the validity or value (except as expressly set forth in this Agreement) of any of the Collateral. The Collateral Custodian shall not be obligated to take any legal action hereunder that might in its judgment involve any expense or liability unless it has been furnished with an indemnity reasonably satisfactory to it.

(e) The Collateral Custodian shall have no duties or responsibilities except such duties and responsibilities as are specifically set forth in this Agreement and no covenants or obligations shall be implied in this Agreement against the Collateral Custodian.

(f) The Collateral Custodian shall not be required to expend or risk its own funds in the performance of its duties hereunder.

(g) It is expressly agreed and acknowledged that the Collateral Custodian is not guaranteeing performance of or assuming any liability for the obligations of the other parties hereto or any parties to the Collateral.

Section 7.7. Resignation of the Collateral Custodian.

The Collateral Custodian shall not resign from the obligations and duties hereby imposed on it except upon (a) ninety (90) days written notice to the Borrower, Collateral Administrator, Administrative Agent and each Lender, or (b) the Collateral Custodian's determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and

(ii) there is no reasonable action that the Collateral Custodian could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Collateral Custodian shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Administrative Agent. No such resignation shall become effective until a successor Collateral Custodian shall have assumed the responsibilities and obligations of the Collateral Custodian hereunder; *provided* that such successor Collateral Custodian shall be an Affiliate of Wells Fargo Bank, N.A.

Section 7.8. Release of Documents.

(a) Release for Servicing. From time to time and as appropriate for the enforcement or servicing of any of the Collateral, the Collateral Custodian is hereby authorized (unless and until such authorization is revoked by the Administrative Agent), upon written receipt from the Collateral Administrator of a request for release of documents and receipt in the form annexed hereto as Exhibit E, to release to the Collateral Administrator within two (2) Business Days of receipt of such request, the related Underlying Instruments or the documents set forth in such request and receipt to the Collateral Administrator. All documents so released to the Collateral Administrator shall be held by the Collateral Administrator in trust for the benefit of the Administrative Agent in accordance with the terms of this Agreement. The Collateral Administrator shall return to the Collateral Custodian the Underlying Instruments or other such documents (i) promptly upon the request of the Administrative Agent, or (ii) when the Collateral Administrator's need therefor in connection with such enforcement or servicing no longer exists, unless the Loan shall be liquidated or sold, in which case, upon receipt of an additional request for release of documents and receipt certifying such liquidation or sale from the Collateral Administrator to the Collateral Custodian in the form annexed hereto as Exhibit E, the Collateral Administrator's request and receipt submitted pursuant to the first sentence of this subsection shall be released by the Collateral Custodian to the Collateral Administrator.

(b) Release for Payment. Upon receipt by the Collateral Custodian of the Collateral Administrator's request for release of documents and receipt in the form annexed hereto as Exhibit E (which certification shall include a statement to the effect that all amounts received in connection with such payment or repurchase have been credited to the Collection Account as provided in this Agreement), the Collateral Custodian shall promptly release the related Underlying Instruments to the Collateral Administrator.

Section 7.9. Return of Underlying Instruments.

The Borrower may, with the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld), require that the Collateral Custodian return each Required Loan Document (as applicable), respectively (a) delivered to the Collateral Custodian in error, (b) as to which the lien on the Underlying Asset has been so released pursuant to Section 8.2, (c) that has been the subject of a Discretionary Sale pursuant to Section 2.15 or (e) that is required to be redelivered to the Borrower in connection with the termination of this Agreement, in each case by submitting to the Collateral Custodian and the Administrative Agent a written request in the form of Exhibit E hereto (signed by both the Borrower and the Administrative Agent) specifying the Collateral to be so returned and reciting that the conditions to such release have been met (and specifying the Section or Sections of this Agreement being

relied upon for such release). The Collateral Custodian shall upon its receipt of each such request for return executed by the Borrower and the Administrative Agent promptly, but in any event within five (5) Business Days, return the Underlying Instruments so requested to the Borrower.

Section 7.10. Access to Certain Documentation and Information Regarding the Collateral; Audits.

The Collateral Administrator, the Seller, the Borrower and the Collateral Custodian shall provide to the Administrative Agent access to the Underlying Instruments and all other documentation regarding the Collateral including in such cases where the Administrative Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations, to review such documentation, such access being afforded without charge but only (i) upon two (2) Business Days' prior written request, (ii) during normal business hours and (iii) subject to the Collateral Administrator's and Collateral Custodian's normal security and confidentiality procedures. Prior to the Closing Date and periodically thereafter at the discretion of the Administrative Agent, the Administrative Agent may review the Collateral Administrator's collection and administration of the Collateral in order to assess compliance by the Collateral Administrator with ARTICLE VI and may conduct an audit of the Collateral, and Underlying Instruments in conjunction with such a review. Such review shall be reasonable in scope and shall be completed in a reasonable period of time. Without limiting the foregoing provisions of this Section 7.10, from time to time (not to exceed one (1) time per fiscal quarter) on request of the Administrative Agent, the Collateral Custodian shall permit certified public accountants or other independent auditors acceptable to the Administrative Agent to conduct, at the Borrower's expense, a review of the Underlying Instruments and all other documentation regarding the Collateral.

ARTICLE VIII.

SECURITY INTEREST

Section 8.1. Grant of Security Interest.

(a) This Agreement constitutes a security agreement and the Advances effected hereby constitute secured loans by the applicable Lenders to the

Borrower under Applicable Law. For such purpose, the Borrower hereby transfers, conveys, assigns and grants as of the Closing Date to the Administrative Agent, as agent for the Secured Parties, a lien and continuing security interest in all of the Borrower's right, title and interest in, to and under (but none of the obligations under) all Collateral, whether now existing or hereafter arising or acquired by the Borrower, and wherever the same may be located, to secure the prompt, complete and indefeasible payment and performance in full when due, whether by lapse of time, acceleration or otherwise, of the Obligations of the Borrower arising in connection with this Agreement and each other Transaction Document, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent, including, without limitation, all Obligations. Notwithstanding any of the other provisions set forth in this Agreement, this Agreement shall not constitute a grant of a security interest in any property to the extent that such grant of a security interest is prohibited by any Applicable Law not in effect as of the date

hereof or requires a consent not obtained of any Governmental Authority pursuant to such Applicable Law. The powers conferred on the Administrative Agent and the other Secured Parties hereunder are solely to protect the Administrative Agent's and the other Secured Parties' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any Secured Party to exercise any such powers. Each of the Administrative Agent and each Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act hereunder, except for its own gross negligence, bad faith or willful misconduct. If the Borrower fails to perform or comply with any of its agreements contained herein, the Administrative Agent, at its option, but without any obligation to do so, may itself perform or comply, or otherwise cause performance or compliance, with such agreement. The expenses of the Administrative Agent incurred in connection with such performance or compliance, together with interest thereon at a rate *per annum* 2.0% above the rate *per annum* applicable to Advances, shall be payable by the Borrower to the Administrative Agent on demand and shall constitute Obligations secured hereby.

(b) The grant of a security interest under this Section 8.1 does not constitute and is not intended to result in a creation or an assumption by the Administrative Agent or any of the other Secured Parties of any obligation of the Borrower or any other Person in connection with any or all of the Collateral or under any agreement or instrument relating thereto. Anything herein to the contrary notwithstanding, (a) the Borrower shall remain liable under the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Administrative Agent, as agent for the Secured Parties, of any of its rights in the Collateral shall not release the Borrower from any of its duties or obligations under the Collateral, and (c) none of the Administrative Agent or any other Secured Party shall have any obligations or liability under the Collateral by reason of this Agreement, nor shall the Administrative Agent or any other Secured Party be obligated to perform any of the obligations or duties of the Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(c) Notwithstanding anything to the contrary, the Lender, the Borrower, the Collateral Administrator, the Administrative Agent, the Collateral Custodian and each Lender hereby agree to treat, and to cause each of their respective Affiliates to treat, each Variable Funding Note as indebtedness for purposes of United States federal and state income tax or state franchise tax to the extent permitted by Applicable Law and shall file its tax returns or reports, or cause its Affiliates to file such tax returns or reports, in a manner consistent with such treatment.

Section 8.2. Release of Lien on Collateral.

At the same time as (i) any Collateral expires by its terms and all amounts in respect thereof have been paid in full by the related Obligor and deposited in the Collection Account, (ii) such Loan has been the subject of a Discretionary Sale pursuant to Section 2.15 or (iii) this Agreement terminates in accordance with Section 12.6, the Administrative Agent, as agent for the Secured Parties will, to the extent requested by the Collateral Administrator, release its interest in such Collateral. In connection with any sale of such Collateral, the Administrative Agent, as agent for the Secured Parties, will after the deposit by the Collateral Administrator of the Proceeds of such sale into the Collection Account, at the sole expense of the Collateral

Administrator, execute and deliver to the Collateral Administrator any assignments, bills of sale, termination statements and any other releases and instruments as the Collateral Administrator may reasonably request in order to effect the release and transfer of such Collateral; *provided* that, the Administrative Agent, as agent for the Secured Parties, will make no representation or warranty, express or implied, with respect to any such Collateral in connection with such sale or transfer and assignment. Nothing in this section shall diminish the Collateral Administrator's obligations pursuant to Section 6.5 with respect to the Proceeds of any such sale.

Section 8.3. Further Assurances.

The provisions of Section 12.12 shall apply to the security interest granted under Section 8.1 as well as to the Advances hereunder.

Section 8.4. Remedies.

Subject to the provisions of Section 9.2, upon the occurrence of an Event of Default, the Administrative Agent and Secured Parties shall have, with respect to the Collateral granted pursuant to Section 8.1, and in addition to all other rights and remedies available to the Administrative Agent and Secured Parties under this Agreement or other Applicable Law, all rights and remedies of a secured party upon default under the UCC. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Borrower or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances transfer all or any part of the Collateral into the Administrative Agent's name or the name of its nominee or nominees, and/or forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Secured Party or elsewhere upon such terms and conditions (including by lease or by deferred payment arrangement) as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk and/or may take such other actions as may be available under applicable law. The Administrative Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, auction or closed tender, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Borrower, which right or equity is hereby waived or released. The Borrower further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select (on its behalf and on behalf of the Secured Parties), whether at the Borrower's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the other Secured Parties arising out of the exercise by the Administrative Agent hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the

Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law,

including, without limitation, Section 9-615 of the UCC, need the Administrative Agent account for the surplus, if any, to the Borrower. To the extent permitted by applicable law, the Borrower waives all claims, damages and demands it may acquire against the Administrative Agent or any other Secured Party arising out of the exercise by the Administrative Agent or any other Secured Party of any of its rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition. The Borrower shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorneys employed by the Administrative Agent or any Secured Party to collect such deficiency.

Section 8.5. Waiver of Certain Laws.

Each of the Borrower and the Collateral Administrator agrees, to the full extent that it may lawfully so agree, that neither it nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force in any locality where any Collateral may be situated in order to prevent, hinder or delay the enforcement or foreclosure of this Agreement, or the absolute sale of any of the Collateral or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and each of the Borrower and the Collateral Administrator, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may be lawful so to do, the benefit of all such laws, and any and all right to have any of the properties or assets constituting the Collateral marshaled upon any such sale, and agrees that the Administrative Agent or any court having jurisdiction to foreclose the security interests granted in this Agreement may sell the Collateral as an entirety or in such parcels as the Administrative Agent or such court may determine.

Section 8.6. Power of Attorney.

Each of the Borrower and the Collateral Administrator hereby irrevocably appoints the Administrative Agent its true and lawful attorney (with full power of substitution) in its name, place and stead and at is expense, in connection with the enforcement of the rights and remedies provided for (and subject to the terms and conditions set forth) in this Agreement during the continuance of an Event of Default, including without limitation the following powers: (a) to give any necessary receipts or acquittance for amounts collected or received hereunder, (b) to make all necessary transfers of the Collateral in connection with any such sale or other disposition made pursuant hereto, (c) to execute and deliver for value all necessary or appropriate bills of sale, assignments and other instruments in connection with any such sale or other disposition, the Borrower and the Collateral Administrator hereby ratifying and confirming all that such attorney (or any substitute) shall lawfully do hereunder and pursuant hereto, and (d) to sign any agreements, orders or other documents in connection with or pursuant to any Transaction Document. Nevertheless, if so requested by the Administrative Agent, the Borrower shall ratify and confirm any such sale or other disposition by executing and delivering to the Administrative Agent or such purchaser all proper bills of sale, assignments, releases and other instruments as may be designated in any such request.

ARTICLE IX.

EVENTS OF DEFAULT

Section 9.1. Events of Default.

The following events shall be Events of Default ("Events of Default") hereunder:

(a) the Borrower fails to make any payment when due under this Agreement;*provided* that, the Borrower shall have three (3) days to provide such payment if such failure is solely due to an administrative error on the part of the Collateral Custodian; or

(b) the occurrence of an "Event of Default" (as defined in each Existing Facility) occurs; or

(c) the Seller, the Collateral Administrator or the Borrower defaults in making any payment required to be made under an agreement for borrowed money (other than this Agreement or any of the Existing Facilities) to which it is a party individually or in an aggregate principal amount in excess of $5,000,000 and such default is not cured within the applicable cure period, if any, provided for under such agreement; or

(d) any failure on the part of the Borrower duly to observe or perform the covenants set forth inSection 5.1(bb); or

(e) any failure on the part of the Borrower, the Collateral Administrator, any Taxable Entity or the Seller duly to observe or perform in any material respect any other covenants or agreements of the Borrower, such Taxable Entity or the Seller (other than those specifically addressed by a separate Event of Default), as applicable, set forth in this Agreement or the other Transaction Documents to which such Person is a party and the same continues unremedied for a period of thirty (30) days (if such failure can be remedied) after the earlier to occur of (i) the date on which written notice of such failure requiring the same to be remedied shall have been given to the Borrower or the Seller, as applicable, by the Administrative Agent and (ii) the date on which the Borrower or the Seller, as applicable, acquires knowledge thereof; or

(f) the occurrence of an Insolvency Event relating to the Borrower or the Seller; or

(g) the occurrence of a Collateral Administrator Termination Event; or

(h) the rendering of one or more final judgments, decrees or orders by a court or arbitrator of competent jurisdiction for the payment of money in excess individually or in the aggregate of $5,000,000, against the Seller or the Borrower, and the Seller or the Borrower, as applicable, shall not have, within ninety (90) days, either (i) discharged or provided for the discharge of any such judgment, decree or order in accordance with its terms or (ii) perfected a timely appeal of such judgment, decree or order and caused the execution of same to be stayed during the pendency of the appeal; or

(i) the Borrower shall assign or attempt to assign any of its rights, obligations or duties under this Agreement without the prior written consent of the Administrative Agent (such consent to be provided) in the sole and absolute discretion of the Administrative Agent; or

(j) the Borrower or the Collateral Administrator fails to observe or perform any agreement or obligation with respect to the management and distribution of funds received with respect to the Loans, and such failure is not cured with three (3) Business Days; or

(k) the Borrower shall cease to be an Affiliate of the Seller, or shall fail to qualify as a bankruptcy-remote entity based upon the criteria set forth in Section 4.1(u), such that Simpson Thacher & Bartlett LLP or another law firm reasonably acceptable to the Administrative Agent could no longer render a substantive nonconsolidation opinion with respect thereto; or

(l) any Transaction Document, or any Lien granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower, the Seller or the Collateral Administrator, as applicable; or

(m) the Borrower, the Seller, the Collateral Administrator or any other party shall, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of any Transaction Document or any lien or security interest thereunder; or

(n) any security interest securing any obligation under any Transaction Document shall, in whole or in part, cease to be a first priority perfected security interest (subject to Permitted Liens) except as otherwise expressly permitted to be released in accordance with the applicable Transaction Document; or

(o) the Advances Outstanding on any day exceed the Maximum Availability and the same continues unremedied for (i) prior to the IPO Date, fifteen (15) Business Days or (ii) thereafter, five (5) Business Days; or

(p) the Borrower shall become required to register as an "investment company" within the meaning of the 1940 Act; or

(q) the Internal Revenue Service or any other Governmental Authority shall (i) assess, claim or take the position that the Borrower or the Collateral Administrator is liable for any Tax or withholding Tax (other than a withholding tax under Section 1441 of the Code) or (ii) file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower, the Collateral Administrator or, prior to the IPO Date, the AIV, or the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of ERISA with regard to any material assets of the Borrower, the Collateral Administrator or, prior to the IPO Date, the AIV and such lien shall not have been released within five (5) Business Days; or

(r) any Change of Control shall occur without the Administrative Agent's prior written consent; or

(s) any representation, warranty or certification made by the Borrower, the Collateral Administrator, any Taxable Entity or the Seller in any Transaction Document or in any certificate delivered pursuant to any Transaction Document shall prove to have been incorrect in any material respect when made or deemed made, which has an adverse effect on the Administrative Agent or any Lender; or

(t) (A) any material provision of the AIV Indemnity Agreement shall at any time for any reason cease to be valid and binding or in full force and effect; or (B) the AIV or the Borrower shall deny that it has any or further liability or obligation under any material provision of the AIV Indemnity Agreement; or (C) the validity or enforceability of any material provision of the AIV Indemnity Agreement shall be contested by either the Borrower or the AIV.

Section 9.2. Remedies.

(a) Upon the occurrence of an Event of Default, the Administrative Agent shall, at the request of, or may, with the consent of the Required Lenders, by notice to the Borrower, declare (a) the Termination Date to have occurred and the VFNs to be immediately due and payable in full (without presentment, demand, protest or notice of any kind all of which are hereby waived by the Borrower) or (b) the Revolving Period End Date to have occurred; *provided* that in the case of any event involving the Borrower described in Section 9.1(f), the VFNs shall be immediately due and payable in full (without presentment, demand, notice of any kind, all of which are hereby expressly, waived by the Borrower) and the Termination Date shall be deemed to have occurred automatically upon the occurrence of any such event.

(b) Upon the declaration or occurrence of the Revolving Period End Date or a Termination Date, the Amortization Period shall commence.

(c) On and after the declaration or occurrence of the Termination Date, the Administrative Agent, for the benefit of the Secured Parties, shall have, in addition to all other rights and remedies under this Agreement or otherwise, all other rights and remedies provided under the UCC of each applicable jurisdiction and other Applicable Laws, which rights shall be cumulative. In addition, the Borrower and the Collateral Administrator hereby agree that they will, at the Collateral Administrator's expense and at the direction of the Administrative Agent, forthwith, (i) assemble all or any part of the Loans as directed by the Administrative Agent and make the same available to the Administrative Agent at a place to be designated by the Administrative Agent and (ii) without notice except as specified below, sell the Loans or any part thereof upon such terms, in such lots, to such buyers, and according to such other instructions as the Administrative Agent may deem commercially reasonable. The Borrower agrees that, to the extent notice of sale shall be required by law, ten (10) days' notice to the Borrower of any sale hereunder shall constitute reasonable notification. All cash Proceeds received by the Administrative Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Loans (after payment of any amounts incurred in connection with such sale) shall be deposited into the Collection Account and to be applied pursuant to Section 2.8. For the avoidance of doubt, the occurrence of a Termination Date as defined in clauses (a) through (d), inclusive, of the definition of "Termination Date" shall constitute a Termination Date for the purposes of this Section 9.2

ARTICLE X.

INDEMNIFICATION

Section 10.1. Indemnities by the Borrower.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Borrower hereby agrees to indemnify the Administrative Agent, the Collateral Custodian, the Secured Parties, the Affected Parties and each of their respective assigns and officers, directors, employees and agents thereof (collectively, the "Indemnified Parties"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively referred to as the "Indemnified Amounts") awarded against or incurred by such Indemnified Party and other non-monetary damages of any such Indemnified Party or any of them arising out of or as a result of this Agreement or having an interest in the Collateral or in respect of any Loan included in the Collateral, excluding, however, any Indemnified Amounts to the extent resulting from gross negligence, bad faith or willful misconduct on the part of any Indemnified Party or in respect of Taxes (other than those described in clause (xiii) of this Section 10.1(a)). If the Borrower has made any indemnity payment pursuant to this Section 10.1 and such payment fully indemnified the recipient thereof and the recipient thereafter collects any payments from others in respect of such Indemnified Amounts then, the recipient shall repay to the Borrower an amount equal to the amount it has collected from others in respect of such indemnified amounts. Without limiting the foregoing, the Borrower shall indemnify each Indemnified Party for Indemnified Amounts (except to the extent resulting from gross negligence, bad faith or willful misconduct on the part of any Indemnified Party) relating to or resulting from:

(i) any representation or warranty made or deemed made by the Borrower, the Collateral Administrator or any of their respective officers under or in connection with this Agreement or any other Transaction Document, which shall have been false or incorrect in any material respect when made or deemed made or delivered;

(ii) the failure of any Loan acquired on the Closing Date to be an Eligible Loan as of the Closing Date and the failure of any Loan acquired after the Closing Date to be an Eligible Loan on the related Funding Date;

(iii) the failure by the Borrower or the Collateral Administrator to comply with any term, provision or covenant contained in this Agreement or any agreement executed in connection with this Agreement, or with any Applicable Law, with respect to any Collateral or the nonconformity of any Collateral with any

such Applicable Law;

(iv) the failure to vest and maintain vested in the Administrative Agent, as agent for the Secured Parties, an undivided interest in the Collateral, together with all Collections, free and clear of any Lien (other than Permitted Liens) whether existing at the time of any Advance at any time thereafter;

(v) the failure to maintain, as of the close of business on each Business Day prior to the Termination Date, an amount of Advances Outstanding that is less than or equal to the Maximum Availability on such Business Day;

(vi) the failure to file, or any delay in filing, financing statements, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other Applicable Law with respect to any Collateral, whether at the time of any Advance at any subsequent time, if such failure or delay (i) was caused by the Borrower or the Collateral Administrator, (ii) could have been cured by either the Collateral Administrator or the Borrower and such cure was not effected in a timely manner or (iii) resulted from a failure or delay by either the Borrower or the Collateral Administrator to confirm satisfactory completion in a timely manner of any and all actions they requested in order to maintain compliance with the UCC or such other Applicable Law;

(vii) any dispute, claim, offset or defense (other than the discharge in bankruptcy of the Obligor) of the Obligor to the payment with respect to any Collateral (including, without limitation, a defense based on the Collateral not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or services related to such Collateral or the furnishing or failure to furnish such merchandise or services;

(viii) any failure of the Borrower or the Collateral Administrator (if the Seller or one of its Affiliates is the Collateral Administrator) to perform its duties or obligations in accordance with the provisions of this Agreement or any of the other Transaction Documents to which it is a party or any failure by the Seller, the Borrower or any Affiliate thereof to perform its respective duties under any Collateral;

(ix) the failure of the Collateral Custodian to remit any amounts held in the Collection Account pursuant to the instructions of the Collateral Administrator or the Administrative Agent (to the extent such Person is entitled to give such instructions in accordance with the terms hereof) whether by reason of the exercise of set-off rights or otherwise;

(x) any inability to obtain any judgment in, or utilize the court or other adjudication system of, any state in which an Obligor may be located as a result of the failure of the Borrower or the Seller to qualify to do business or file any notice or business activity report or any similar report;

(xi) any action taken by the Borrower or the Collateral Administrator in the enforcement or collection of any Collateral;

(xii) any products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort arising out of or in connection with the Underlying Assets or services that are the subject of any Collateral;

(xiii) the failure by the Borrower to pay when due any Taxes for which the Borrower is liable, including without limitation, sales, excise or personal property taxes payable in connection with the Collateral;

(xiv) any repayment by the Administrative Agent or another Secured Party of any amount previously distributed in reduction of Advances Outstanding or payment of Interest or any other amount due hereunder which amount the Administrative Agent or another Secured Party believes in good faith is required to be repaid;

(xv) except with respect to funds held in the Collection Account, the commingling of Collections on the Collateral at any time with other funds;

(xvi) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of Advances or the security interest in the Collateral;

(xvii) any failure by the Borrower to give reasonably equivalent value to the Seller or to the applicable third party transferor, in consideration for the transfer by the Seller or such third party to the Borrower of any item of Collateral or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including, without limitation, any provision of the Bankruptcy Code;

(xviii) the use of the proceeds of any Advance in a manner other than as provided in this Agreement and the Sale Agreement;

(xix) the failure of the Borrower, the Seller or any of their respective agents or representatives to remit to the Collateral Administrator or the Administrative Agent, Collections on the Collateral remitted to the Borrower, the Seller, the Collateral Administrator or any such agent or representative as provided in this Agreement; or

(xx) the failure of the Collateral Administrator to satisfy its obligations under Section 10.2.

(b) Any amounts subject to the indemnification provisions of this Section 10.1 shall be paid by the Borrower to the Indemnified Party on the Payment Date following such Person's demand therefor, which demand shall be made at least two (2) Business Days prior to such Payment Date and shall be accompanied by a reasonably detailed description in writing of the related damage, loss, claim, liability and related costs and expenses.

(c) If for any reason the indemnification provided above in this Section 10.1 is unavailable to the Indemnified Party or is insufficient to hold an Indemnified Party harmless, then the Borrower or the Collateral Administrator, as the case may be, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Borrower or the Collateral Administrator, as the case may be, on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations; *provided* that neither the Borrower nor the Collateral Administrator shall be required to contribute in respect of any Indemnified Amounts excluded in Section 10.1(a).

(d) The obligations of the Borrower under this Section 10.1 shall survive the resignation or removal of the Administrative Agent, the Collateral Administrator or the Collateral Custodian and the termination of this Agreement.

Section 10.2. Indemnities by the Collateral Administrator.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Collateral Administrator hereby agrees to indemnify each Indemnified Party, forthwith on demand, from and against any and all Indemnified Amounts awarded against or incurred by any such Indemnified Party by reason of any acts or omissions of the Collateral Administrator, including, but not limited to (i) any representation or warranty made by the Collateral Administrator under or in connection with any Transaction Document or any other information or report delivered by or on behalf of the Collateral Administrator pursuant hereto, which shall have been false, incorrect or misleading in any material respect when made or deemed made, (ii) the failure by the Collateral Administrator to comply with any Applicable Law, (iii) the failure of the Collateral Administrator to comply with its duties or obligations in accordance with this Agreement or (iv) any litigation, proceedings or investigation against the Collateral Administrator in connection with any Transaction Document or its role as Collateral Administrator hereunder. The provisions of this indemnity shall run directly to and be enforceable by an injured party subject to the limitations hereof.

(b) Any amounts subject to the indemnification provisions of this Section 10.2 shall be paid by the Collateral Administrator to the Indemnified Party within five (5) Business Days following such Person's demand therefor.

(c) The Collateral Administrator shall have no liability for making indemnification hereunder to the extent any such indemnification constitutes recourse for uncollectible or uncollected Loans.

(d) The obligations of the Collateral Administrator under this Section 10.2 shall survive the resignation or removal of the Administrative Agent or the Collateral Custodian and the termination of this Agreement.

(e) Any indemnification pursuant to this Section 10.2 shall not be payable from the Collateral.

Section 10.3. After-Tax Basis.

Indemnification under Section 10.1 and Section 10.2 shall be in an amount necessary to make the Indemnified Party whole after taking into account any tax consequences to the Indemnified Party of the receipt of the indemnity payment provided hereunder, including the effect of such tax or refund on the amount of tax measured by net income or profits that is or was payable by the Indemnified Party.

ARTICLE XI.

THE ADMINISTRATIVE AGENT

Section 11.1. Appointment.

Each Secured Party hereby appoints and authorizes the Administrative Agent as its agent and bailee for purposes of perfection pursuant to the applicable UCC and hereby further

authorizes the Administrative Agent to appoint additional agents and bailees (including, without limitation, the Collateral Custodian) to act on its behalf and for the benefit of each of the Secured Parties. Each Secured Party further authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Transaction Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. In furtherance, and without limiting the generality, of the foregoing, each Secured Party hereby appoints the Administrative Agent as its agent to execute and deliver all further instruments and documents, and take all further action that the Administrative Agent may deem necessary or appropriate or that a Secured Party may reasonably request in order to perfect, protect or more fully evidence the security interests granted by the Borrower hereunder, or to enable any of them to exercise or enforce any of their respective rights hereunder, including, without limitation, the execution by the Administrative Agent as secured party/assignee of such financing or continuation statements, or amendments thereto or assignments thereof, relative to all or any of the Collateral now existing or hereafter arising, and such other instruments or notices, as may be necessary or appropriate for the purposes stated hereinabove. The Lenders may direct the Administrative Agent to take any such incidental action hereunder. With respect to other actions which are incidental to the actions specifically delegated to the Administrative Agent hereunder, the Administrative Agent shall not be required to take any such incidental action hereunder, but shall be required to act or to refrain from acting (and shall be fully protected in acting or refraining from acting) upon the direction of the Lenders; *provided* that the Administrative Agent shall not be required to take any action hereunder if the taking of such action, in the reasonable determination of the Administrative Agent, shall be in violation of any Applicable Law or contrary to any provision of this Agreement or shall expose the Administrative Agent to liability hereunder or otherwise. In the event the Administrative Agent requests the consent of a Lender pursuant to the foregoing provisions and the Administrative Agent does not receive a consent (either positive or negative) from such Person within ten (10) Business Days of such Person's receipt of such request, then such Lender shall be deemed to have declined to consent to the relevant action.

Section 11.2. Standard of Care.

The Administrative Agent shall exercise such rights and powers vested in it by this Agreement and the other Transaction Documents, and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Section 11.3. Administrative Agent's Reliance, Etc.

Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them as Administrative Agent under or in connection with this Agreement or any of the other Transaction Documents, except for its or their own gross negligence, bad faith or willful misconduct. Without limiting the foregoing, the Administrative Agent: (i) may consult with legal counsel (including counsel for the Borrower or the Seller), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation and shall not be responsible for any statements, warranties or representations made by any other

Person in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any of the other Transaction Documents on the part of the Borrower, the Seller or the Collateral Administrator or to inspect the property (including the books and records) of the Borrower, the Seller or the Collateral Administrator; (iv) shall not be responsible for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any of the other Transaction Documents or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or any of the other Transaction Documents by acting upon any notice (including notice by telephone), consent, certificate or other instrument or writing (which may be by facsimile) believed by it to be genuine and signed or sent by the proper party or parties.

Section 11.4. Credit Decision with Respect to the Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, or any of the Administrative Agent's Affiliates, and based upon such documents and information as it has deemed appropriate, made its own evaluation and decision to enter into this Agreement and the other Transaction Documents to which it is a party. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, or any of the Administrative Agent's Affiliates, and based on such documents and information as it shall deem appropriate at the time, continue to make its own decisions in taking or not taking action under this Agreement and the other Transaction Documents to which it is a party.

Section 11.5. Indemnification of the Administrative Agent.

Each Lender agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower or the Collateral Administrator), ratably in accordance with its Pro Rata Share from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any of the other Transaction Documents, or any action taken or omitted by the Administrative Agent hereunder or thereunder; *provided* that, the Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent, ratably in accordance with its Pro Rata Share promptly upon demand for any out-of-pocket expenses (including counsel fees) incurred by the Administrative Agent in connection with the administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and the other Transaction Documents, to the extent that such expenses are incurred in the interests of or otherwise in respect of the Lenders hereunder and/or thereunder and to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower or the Collateral Administrator.

Section 11.6. Successor Administrative Agent.

The Administrative Agent may resign at any time, effective upon the appointment and acceptance of a successor Administrative Agent as provided below, by giving at least five (5) days' written notice thereof to each Lender and the Borrower and may be removed at any time with cause by the Lenders acting jointly. Upon any such resignation or removal, the Lenders acting jointly shall appoint a successor Administrative Agent with the consent of the Borrower, such consent not to be unreasonably withheld. Each of the Borrower and each Lender agree that it shall not unreasonably withhold or delay its approval of the appointment of a successor Administrative Agent. If no such successor Administrative Agent shall have been so appointed, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation or the removal of the retiring Administrative Agent, then the retiring Administrative Agent may, on behalf of the Secured Parties, appoint a successor Administrative Agent which successor Administrative Agent shall be either (i) a commercial bank organized under the laws of the United States or of any state thereof and have a combined capital and surplus of at least $50,000,000 or (ii) an Affiliate of such a bank. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this ARTICLE XI shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

Section 11.7. Payments by the Administrative Agent.

Unless specifically allocated to a specific Lender pursuant to the terms of this Agreement, all amounts received by the Administrative Agent on behalf of the Lenders shall be paid by the Administrative Agent to the Lenders in accordance with their respective Pro Rata Shares in the applicable Advances Outstanding, or if there are no Advances Outstanding in accordance with their most recent Commitments, on the Business Day received by the Administrative Agent, unless such amounts are received after 12:00 noon on such Business Day, in which case the Administrative Agent shall use its reasonable efforts to pay such amounts to each Lender on such Business Day, but, in any event, shall pay such amounts to such Lender not later than the following Business Day.

ARTICLE XII.

MISCELLANEOUS

Section 12.1. Amendments and Waivers.

Except as provided in this Section 12.1, no amendment, waiver or other modification of any provision of this Agreement shall be effective without the written agreement of the Borrower, the Administrative Agent and the Required Lenders; *provided* that, (i) any amendment of the Agreement that is solely for the purpose of adding a Lender may be effected without the

written consent of the Borrower or any Lender, (ii) no such amendment, waiver or modification materially adversely affecting the rights or obligations of the Collateral Custodian shall be effective without the written agreement of such Person and (iii) any amendment of the Agreement that a Lender is advised by its legal or financial advisors to be necessary in order to avoid the consolidation of the Borrower with such Lender for accounting purposes may be effected without the written consent of the Borrower or any other Lender.

Section 12.2. Notices, Etc.

All notices, reports and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including communication by facsimile copy) and mailed, e-mailed, faxed, transmitted or delivered, as to each party hereto, at its address set forth on Annex A to this Agreement or at such other address as shall be designated by such party in a written notice to the other parties hereto. All such notices and communications shall be effective, upon receipt, or in the case of (a) notice by mail, five (5) days after being deposited in the United States mail, first class postage prepaid, (b) notice by e-mail, when verbal or electronic communication of receipt is obtained, or (c) notice by facsimile copy, when verbal communication of receipt is obtained.

Section 12.3. Ratable Payments.

If any Lender, whether by setoff or otherwise, has payment made to it with respect to any portion of the Obligations owing to such Lender (other than payments received pursuant to Section 10.1) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase for cash without recourse or warranty a portion of the Obligations held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of the Obligations; *provided* that if all or any portion of such excess amount is thereafter recovered from such Lender, such purchase shall be rescinded and the purchase price restored to the extent of such recovery, but without interest.

Section 12.4. No Waiver; Remedies.

No failure on the part of the Administrative Agent, the Collateral Custodian or a Secured Party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

Section 12.5. Binding Effect; Benefit of Agreement.

This Agreement shall be binding upon and inure to the benefit of the Borrower, the Seller, the Collateral Administrator, the Administrative Agent, the Collateral Custodian, the Secured Parties and their respective successors and permitted assigns. Each Affected Party and each Indemnified Party shall be an express third party beneficiary of this Agreement.

Section 12.6. Term of this Agreement.

This Agreement, including, without limitation, the Borrower's representations and covenants set forth in Articles IV and V, and the Collateral Administrator's representations, covenants and duties set forth in Articles IV and V, create and constitute the continuing obligation of the parties hereto in accordance with its terms, and shall remain in full force and effect during the Covenant Compliance Period; *provided* that the rights and remedies with respect to any breach of any representation and warranty made or deemed made by the Borrower or the Collateral Administrator pursuant to Articles IV and V, the provisions, including, without limitation the indemnification and payment provisions, of Article X, Section 2.13, Section 12.9, Section 12.10 and Section 12.11, shall be continuing and shall survive any termination of this Agreement.

Section 12.7. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 12.8. Waivers.

The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Transaction Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 12.8 any special, exemplary, punitive or consequential damages.

Section 12.9. Costs, Expenses and Taxes.

(a) In addition to the rights of indemnification granted to the Indemnified Parties under ARTICLE X hereof, the Borrower agrees to pay on the Payment Date following receipt of a request for payment of all costs and expenses that have been invoiced at least two (2) Business Days prior to such Payment Date of the Administrative Agent and the Collateral Custodian incurred in connection with the preparation, execution, delivery, administration (including periodic auditing), renewal, amendment or modification of, or any waiver or consent issued in connection with, this Agreement and the other documents to be delivered hereunder or in connection herewith, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and the Collateral Custodian with respect thereto and with respect to advising the Administrative Agent and the Collateral Custodian as to their respective rights and remedies under this Agreement and the other documents to be delivered hereunder or in connection herewith, and all costs and expenses, if any (including reasonable counsel fees and expenses), incurred by the Administrative Agent, the Collateral Custodian or the Secured Parties in connection with the enforcement of this Agreement by such Person and the other documents to be delivered hereunder or in connection herewith.

(b) The Borrower, the Collateral Administrator and the Seller shall pay on demand any and all present or future stamp, sales, recording, documentary, excise, property and other similar taxes and fees payable or determined to be payable to any Governmental Authority in connection with the execution, delivery, filing, recording performance and enforcement of this Agreement, the other documents to be delivered hereunder or any agreement or other document providing liquidity support, credit enhancement or other similar support to the Lenders in connection with this Agreement or the funding or maintenance of Advances hereunder.

(c) The Borrower shall pay on the Payment Date following receipt of a request therefor, all other reasonable costs, expenses and Taxes (excluding income taxes) that have been invoiced at least two (2) Business Days prior to such Payment Date and incurred by the Administrative Agent and the Secured Parties, in each case in connection with periodic audits of the Borrower's, the Seller's or the Collateral Administrator's books and records.

Section 12.10. No Proceedings. Each of the parties hereto (other than the Administrative Agent) hereby agrees that it will not institute against, or join any other Person in instituting against, the Borrower any Insolvency Proceeding so long as there shall not have elapsed one year and one day (or such longer preference period as shall then be in effect) since the end of the Covenant Compliance Period.

Section 12.11. Recourse Against Certain Parties.

(a) No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator as contained in this Agreement or any other agreement, instrument or document entered into by it pursuant hereto or in connection herewith shall be had against any incorporator, affiliate, stockholder, officer, partner, employee or director of the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it

being expressly agreed and understood that the agreements of the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator contained in this Agreement and all of the other agreements, instruments and documents entered into by it pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator, and that no personal liability whatsoever shall attach to or be incurred by the Administrative Agent, any Secured Party, the Borrower, the Seller, the Collateral Administrator or any incorporator, stockholder, affiliate, officer, partner, employee or director of the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator under or by reason of any of the obligations, covenants or agreements of the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator contained in this Agreement or in any other such instruments, documents or agreements, or that are implied therefrom, and that any and all personal liability of the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator and each incorporator, stockholder, affiliate, officer, partner, employee or director of the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator, or any of them, for breaches by the Administrative Agent, any Secured Party, the Borrower, the Seller or the Collateral Administrator of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Agreement; *provided* that the foregoing non-recourse provisions shall in no way affect any rights the Secured Parties might have against any incorporator, affiliate, stockholder, officer, employee or director of the Borrower, the Seller or the Collateral Administrator to the extent of any fraud, misappropriation, embezzlement or any other financial crime constituting a felony by such Person.

(b) Notwithstanding any contrary provision set forth herein, no claim may be made by the Borrower, the Seller or the Collateral Administrator or any other Person against the Administrative Agent and the Secured Parties or their respective Affiliates, directors, officers, employees, attorneys or agents for any special, indirect, consequential or punitive damages in respect to any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and each of the Borrower, the Seller and the Collateral Administrator hereby waives, releases, and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected.

(c) No obligation or liability to any Obligor under any of the Loans is intended to be assumed by the Administrative Agent and the Secured Parties under or as a result of this Agreement and the transactions contemplated hereby.

(d) The provisions of this Section 12.11 shall survive the termination of this Agreement.

Section 12.12. Protection of Right, Title and Interest in the Collateral; Further Action Evidencing Advances.

(a) The Collateral Administrator shall take such actions as are necessary or reasonably requested by the Administrative Agent to enable the Administrative Agent to promptly record, register or file, as applicable, this Agreement, all amendments hereto and/or all financing statements and continuation statements and any other necessary documents covering the right, title and interest of the Administrative Agent, as agent for the Secured Parties, and of the Secured Parties to the Collateral, and at all times to be kept recorded, registered and filed, all in such manner and in such places as may be required by law fully to preserve and protect the right, title and interest of the Administrative Agent, as agent the Secured Parties, hereunder to all property comprising the Collateral. The Borrower shall cooperate fully with the Collateral Administrator in connection with the obligations set forth above and will execute any and all documents reasonably required to fulfill the intent of this Section 12.12(a).

(b) The Borrower agrees that from time to time, at its expense, it will promptly authorize, execute and deliver all instruments and documents, and take all actions, that the Administrative Agent may reasonably request in order to perfect, protect or more fully evidence the security interest granted in the Collateral, or to enable the Administrative Agent or the Secured Parties to exercise and enforce their rights and remedies hereunder or under any other Transaction Document.

(c) If the Borrower or the Collateral Administrator fails to perform any of its obligations hereunder, the Administrative Agent or any Secured Party may (but shall not be required to) perform, or cause performance of, such obligation; and the Administrative Agent's or such Secured Party's costs and expenses incurred in connection therewith shall be payable by the Borrower as provided in ARTICLE X. The Borrower irrevocably authorizes the Administrative Agent and appoints the Administrative Agent as its attorney-in-fact to act on behalf of the Borrower (i) to execute on behalf of the Borrower as debtor and to file financing statements necessary or desirable in the Administrative Agent's sole discretion to perfect and to maintain the perfection and priority of the interest of the Secured Parties in the Collateral, including those that describe the Collateral as "all assets," or words of similar effect, and (ii) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement in such offices as the Administrative Agent in its sole discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the interests of the Secured Parties in the Collateral. This appointment is coupled with an interest and is irrevocable.

(d) Without limiting the generality of the foregoing, the Borrower will, not earlier than six (6) months and not later than three (3) months prior to the fifth anniversary of the date of filing of the financing statement referred to in Section 3.1(j) or any other financing statement filed pursuant to this Agreement or in connection with any Advance hereunder, unless the Covenant Compliance Period shall have ended, authorize, execute and deliver and file or cause to be filed an appropriate continuation statement with respect to such financing statement.

Section 12.13. Confidentiality.

(a) Each of the Administrative Agent, the Secured Parties, the Collateral Administrator, the Collateral Custodian, the Seller and the Borrower shall maintain and shall cause each of its employees and officers to maintain the confidentiality of the Agreement and all information with respect to the other parties, including all information regarding the business and beneficial ownership of the Borrower and the Collateral Administrator hereto and their respective businesses obtained by it or them in connection with the structuring, negotiating and execution of the transactions contemplated herein, except that each such party and its officers and employees may (i) disclose such information to its external accountants, investigators, auditors, attorneys, investors, potential investors (in the case of the Seller) or other agents, including any Approved Valuation Firm, engaged by such party in connection with any due diligence or comparable activities with respect to the transactions and Loans contemplated herein and the agents of such Persons ("Excepted Persons"); *provided* that each Excepted Person shall, as a condition to any such disclosure, agree for the benefit of the Administrative Agent, the Secured Parties, the Collateral Administrator, the Collateral Custodian, the Seller and the Borrower that such information shall be used solely in connection with such Excepted Person's evaluation of, or relationship with, the Borrower and its affiliates, (ii) disclose the existence of the Agreement, but not the financial terms thereof, (iii) disclose such information as is required by Applicable Law and (iv) disclose the Agreement and such information in any suit, action, proceeding or investigation (whether in law or in equity or pursuant to arbitration) involving any of the Transaction Documents for the purpose of defending itself, reducing its liability, or protecting or exercising any of its claims, rights, remedies, or interests under or in connection with any of the Transaction Documents. It is understood that the financial terms that may not be disclosed except in compliance with this Section 12.13(a) include, without limitation, all fees and other pricing terms, and all Events of Default, Collateral Administrator Termination Events, and priority of payment provisions.

(b) Anything herein to the contrary notwithstanding, each of the Borrower, the Seller and the Collateral Administrator hereby consents to the disclosure of any nonpublic information with respect to it (i) to the Administrative Agent, the Collateral Custodian or the Secured Parties by each other, (ii) by the

Administrative Agent, the Collateral Custodian and the Secured Parties to any prospective or actual assignee or participant of any of them provided such Person agrees to hold such information confidential in accordance with the terms hereof, or (iii) by the Administrative Agent, and the Secured Parties to any Rating Agency, any commercial paper dealer or provider of a surety, guaranty or credit or liquidity enhancement to any Lender, and to any officers, directors, employees, outside accountants and attorneys of any of the foregoing, provided each such Person is informed of the confidential nature of such information. In addition, the Secured Parties, the Administrative Agent, may disclose any such nonpublic information as required pursuant to any law, rule, regulation, direction, request or order of any judicial, administrative or regulatory authority or proceedings (whether or not having the force or effect of law).

(c) Notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known; (ii) disclosure of any and all information (a) if required to do so by any applicable statute, law, rule or regulation, (b) to any government agency or regulatory body having or claiming authority

to regulate or oversee any respects of the Administrative Agents', the Secured Parties', the Collateral Custodian's, the Borrower's or the Seller's business or that of their affiliates, (c) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which the Administrative Agent, the Secured Parties, the Collateral Custodian, the Borrower or the Seller or an officer, director, employer, shareholder or affiliate of any of the foregoing is a party, (d) in any preliminary or final offering circular, registration statement or contract or other document approved in advance by the Borrower, the Collateral Administrator or the Seller or (e) to any affiliate, independent or internal auditor, agent (including any potential sub-or-successor servicer), employee or attorney of the Collateral Custodian having a need to know the same, provided that the Collateral Custodian advises such recipient of the confidential nature of the information being disclosed and such person agrees to the terms hereof for the benefit of the Borrower, the Collateral Administrator and the Seller; or (iii) any other disclosure authorized by the Borrower, the Collateral Administrator or the Seller, as applicable.

(d) Notwithstanding any other provision of this Agreement, the Borrower, the Seller and the Collateral Administrator shall each have the right to keep confidential from the Administrative Agent, the Collateral Custodian and/or the Secured Parties, for such period of time as the Borrower, the Seller and/or the Collateral Administrator, as the case may be, determines is reasonable (i) any information that the Borrower, the Seller and/or the Collateral Administrator, as the case may be, reasonably believes to be in the nature of trade secrets and (ii) any other information that the Borrower, the Seller, the Collateral Administrator or any of their Affiliates, or the officers, employees or directors of any of the foregoing, is required by law as evidenced by an Opinion of Counsel.

(e) Each of the Administrative Agent, the Secured Parties and the Collateral Custodian will keep the information of the Obligors confidential in the manner required by the applicable Underlying Instruments.

Section 12.14. Execution in Counterparts; Severability; Integration.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. This Agreement, the other Transaction Documents and any agreements or letters (including fee letters) executed in connection herewith contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings other than any fee letter delivered by the Seller to the Administrative Agent and the Secured Parties.

Section 12.15. Waiver of Setoff.

Each of the parties hereto hereby waives any right of setoff it may have or to which it may be entitled under this Agreement from time to time against any Lender or its assets.

Section 12.16. Status of Lenders; Assignments by the Lenders.

(a) Each Lender represents and warrants to the Borrower that it is a "qualified institutional buyer" as defined in Rule 144A of the Securities Act. Each Lender may at any time assign, or grant a security interest or sell a participation interest in or sell any Advance (or portion thereof) or any VFN (or any portion thereof) to any Person; *provided* that, as applicable, (i) no transfer of any Advance (or any portion thereof) or of any VFN (or any portion thereof) shall be made unless such transfer is exempt from the registration requirements of the Securities Act and any applicable state securities laws or is made in accordance with the Securities Act and such laws, (ii) the transfer is made only to a person who is (A) either an "accredited investor" as defined in paragraphs (a)(1), (2), (3), or (7) of Rule 501 of Regulation D under the Securities Act or any entity in which all of the equity owners come within such paragraphs or to a "qualified institutional buyer" as defined in Rule 144A under the Securities Act and (B) a "qualified purchaser" as defined in the 1940 Act, (iii) no such assignment, grant or sale of a participation interest shall be to an Ineligible Assignee, (iv) such Person shall have a long-term unsecured debt rating of "A" or better by S&P and "A3" or better by Moody's, (v) WFBNA shall (A) not assign more than 49% of the Facility Amount and (B) retain all Eligible Asset approval rights pursuant to clause (B) of the definition of "Eligible Loan" and (vi) in the case of an assignment of any Advance (or any portion thereof) or of any VFN (or of any portion thereof) the assignee executes and delivers to the Collateral Administrator, the Borrower and the Administrative Agent a fully executed Joinder Supplement substantially in the form of Exhibit I hereto and a transferee letter substantially in the form ofExhibit G hereto (a "Transferee Letter"). The parties to any such assignment, grant or sale of a participation interest shall execute and deliver to the such Lender for its acceptance and recording in its books and records, such agreement or document as may be satisfactory to such parties. The Borrower shall not assign or delegate, or grant any interest in, or permit any Lien to exist upon, any of the Borrower's rights, obligations or duties under the Transaction Documents without the prior written consent of the Administrative Agent. Notwithstanding anything contained in this Agreement to the contrary, WFBNA shall not need prior consent of the Borrower to consolidate with or merge into any other Person or convey or transfer substantially all of its properties and assets, including without limitation any Advance (or portion thereof) or any VFN (or any portion thereof), to any Person.

(b) The Administrative Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its lending offices, a copy of each transfer pursuant to Section 12.16(a) delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). Transfer by a Lender of its rights hereunder or under any VFN may be effected only by the recording by the Administrative Agent of the identity of the transferee in the Register. The entries in the Register shall be conclusive, and Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The register shall be

available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(c) No party to this Agreement shall allow any interest in this Agreement, any Variable Funding Note or any participating interest therein to become (i) traded on an established securities market (as defined in Treasury Regulations Section 1.7704-1(b)) or (ii) readily tradable on a secondary market or the substantial equivalent thereof (as defined in Treasury Regulations Section 1.7704-1(c)), and no Person shall transfer, assign or participate any interest in this Agreement, any Variable Funding Note or any participating interest therein in any such established securities market or any such secondary market or the substantial equivalent thereof.

(d) The Collateral Custodian may, at any time, assign all or any part of its rights and obligations hereunder; provided, however, that any such assignee shall (i) be a bank or other financial institution organized and doing business under the laws of the United States or of any state thereof, (ii) be authorized under such laws to exercise corporate trust powers, (iii) have a combined capital and surplus of at least $200,000,000, (iv) be subject to supervision or examination by a federal or state banking authority, (v) have a rating of at least "Baa1" by Moody's and "BBB+" by S&P and (vi) have an office within the United States.

Section 12.17. Heading and Exhibits.

The headings herein are for purposes of references only and shall not otherwise affect the meaning or interpretation of any provision hereof. The schedules and exhibits attached hereto and referred to herein shall constitute a part of this Agreement and are incorporated into this Agreement for all purposes.

Section 12.18. Non-Confidentiality of Tax Treatment.

All parties hereto agree that each of them and each of their employees, representatives, and other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including, without limitation, opinions or other tax analyses) that are provided to any of them relating to such tax treatment and tax structure. "Tax treatment" and "tax structure" shall have the same meaning as such terms have for purposes of Treasury Regulation Section 1.6011-4; *provided* that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, the provisions of this Section 12.18 shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the transactions contemplated hereby.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BORROWER:

NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C., as the Borrower

By: New Mountain Guardian (Leveraged), L.L.C., its managing member

By: New Mountain Guardian AIV, L.P., its managing member

By: New Mountain Investments III, L.L.C., its general partner

By: /s/ Steven B. Klinsky
Name: Steven B. Klinsky
Title: Managing Member

COLLATERAL ADMINISTRATOR:

NEW MOUNTAIN GUARDIAN (LEVERAGED), L.L.C., as Collateral Administrator

By: New Mountain Guardian AIV, L.P., its managing member

By: New Mountain Investments III, L.L.C., its general partner

By: /s/ Steven B. Klinsky
Name: Steven B. Klinsky
Title: Managing Member

[Signatures Continued on the Following Page]

THE ADMINISTRATIVE AGENT

WELLS FARGO SECURITIES, LLC, as the Administrative Agent

By: /s/ Jason Powers
Name: Jason Powers
Title: Director

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Mike Romanzo
Name: Mike Romanzo, CFA
Title: Director

[Signatures Continued on the Following Page]

THE COLLATERAL CUSTODIAN:

WELLS FARGO BANK, NATIONAL ASSOCIATION, not in its individual capacity but solely as Collateral Custodian

By: /s/ José M. Rodríguez
Name: José M. Rodríguez
Title: Vice President

Annex A

NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C.
NEW MOUNTAIN GUARDIAN (LEVERAGED), L.L.C.
787 Seventh Avenue, 49th Floor
New York, NY 10019
Attention: Rob Hamwee, John Kline and Josh Greenberg
Fax: (212) 720-0351

WELLS FARGO SECURITIES, LLC
One Wachovia Center, NC0600
Charlotte, NC 28288
Attention: Mary Katherine DuBose
Facsimile: (704) 715-0067
Confirmation: (704) 383-0906
All electronic dissemination of Notices should be sent to scp.mmloans@wachovia.com

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender
One Wachovia Center, NC0600
Charlotte, NC 28288
Attention: Mary Katherine DuBose
Facsimile: (704) 715-0067
Confirmation: (704) 383-0906
All electronic dissemination of Notices should be sent to scp.mmloans@wachovia.com

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Collateral Custodian
For notices

Wells Fargo Bank, N.A.
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services—New Mountain Capital
Fax: (410) 715-3748
Phone(410) 884-2000

For delivering physical securities:

Wells Fargo Bank, N.A.
1055 10th Avenue S.E.
Minneapolis, MN 55414
Attention: ABS Custody Vault
Tel: (612) 667-8058
Fax: (612) 667-1080

Annex B

Lender	Commitment
Wells Fargo Bank, National Association	Prior to the SPV Merger Date, $93,750,000 Thereafter, $100,000,000

Exhibit (f)(5)

EXECUTION VERSION

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "First Amendment"), dated as of December 13, 2010 (the "First Amendment Date"), between NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C., a Delaware limited liability company (the "Borrower"), WELLS FARGO SECURITIES, LLC, a Delaware limited liability company (the "Administrative Agent") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as a lender (the "Lender").

WHEREAS, the Borrower, New Mountain Guardian (Leveraged), L.L.C., as collateral administrator, the Administrative Agent, the Lender, the other lenders party from time to time thereto and Wells Fargo Bank, National Association, as collateral custodian, are party to the Loan and Security Agreement, dated as of October 27, 2010 (the "Loan and Security Agreement"), providing, among other things, for the making and the administration of the Advances by the lenders to the Borrower; and

WHEREAS, the Borrower, the Administrative Agent and the Lender desire to amend the Loan and Security Agreement, in accordance with Section 12.1 of the Loan and Security Agreement and subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.1. Defined Terms. Terms used but not defined herein have the respective meanings given to such terms in the Loan and Security Agreement.

ARTICLE II

Amendments to Loan and Security Agreement

SECTION 2.1. Amendments.

(a) Section 1.1 of the Loan and Security Agreement shall be amended by deleting "70%" where it appears in the definition of the term "Advance Rate" and inserting "67%" in lieu thereof.

ARTICLE III

Representations and Warranties

SECTION 3.1. The Borrower hereby represents and warrants to the Administrative Agent and the Lender that, as of the First Amendment Date, (i) no Default, Event

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of Default or Collateral Administrator Termination Event has occurred and is continuing and (ii) the representations and warranties of the Borrower contained in the Loan and Security Agreement are true and correct in all material respects on and as of such day (other than any representation and warranty that is made as of a specific date).

ARTICLE IV

Conditions Precedent

SECTION 4.1. This First Amendment shall become effective as of the First Amendment Date upon the execution and delivery of this First Amendment by the Borrower, the Administrative Agent and the Required Lenders.

ARTICLE V

Miscellaneous

SECTION 5.1. Governing Law. THIS FIRST AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 5.2. Severability Clause. In case any provision in this First Amendment shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 5.3. Ratification. Except as expressly amended hereby, the Loan and Security Agreement is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This First Amendment shall form a part of the Loan and Security Agreement for all purposes.

SECTION 5.4. Counterparts. The parties hereto may sign one or more copies of this First Amendment in counterparts, all of which together shall constitute one and the same agreement. Delivery of an executed signature page of this First Amendment by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 5.5. Headings. The headings of the Articles and Sections in this First Amendment are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed as of the First Amendment Date.

NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C., as the Borrower

By:New Mountain Guardian (Leveraged), L.L.C., its managing member

By:New Mountain Guardian AIV, L.P., its managing member

By:New Mountain Investments III, L.L.C., its general partner

By: /s/ Steven B. Klinsky
Name: Steven B. Klinsky
Title: Managing Member

[Signature Page to First Amendment to Loan and Security Agreement (Large)]

WELLS FARGO SECURITIES, LLC,
as Administrative Agent

By: /s/ Jason Powers
Name: Jason Powers
Title: Director

[Signature Page to First Amendment to Loan and Security Agreement (Large)]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
representing 100% of the aggregate Commitments of the Lenders in effect as of the date hereof

By: /s/ Mike Romanzo
Name: Mike Romanzo, CFA
Title: Director

[Signature Page to First Amendment to Loan and Security Agreement (Large)]

Exhibit (f)(6)

EXECUTION VERSION

SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "Second Amendment"), dated as of March 9, 2011 (the "Second Amendment Date"), between NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C., a Delaware limited liability company (the "Borrower"), WELLS FARGO SECURITIES, LLC, a Delaware limited liability company (the "Administrative Agent") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as a lender (the "Lender").

WHEREAS, the Borrower, New Mountain Guardian (Leveraged), L.L.C., as collateral administrator, the Administrative Agent, the Lender, the other lenders party from time to time thereto and Wells Fargo Bank, National Association, as collateral custodian, are party to the Loan and Security Agreement, dated as of October 27, 2010 (as amended by the First Amendment to Loan and Security Agreement, dated as of December 13, 2010, the "Loan and Security Agreement"), providing, among other things, for the making and the administration of the Advances by the lenders to the Borrower; and

WHEREAS, the Borrower, the Administrative Agent and the Lender desire to amend the Loan and Security Agreement, in accordance with Section 12.1 of the Loan and Security Agreement and subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing premises and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.1. Defined Terms. Terms used but not defined herein have the respective meanings given to such terms in the Loan and Security Agreement.

ARTICLE II

Amendments to Loan and Security Agreement

SECTION 2.1. Amendments.

(a) Section 1.1 of the Loan and Security Agreement shall be amended by deleting clause (f) in the definition of "Eligible Obligor" and inserting the following in lieu thereof:

"(f) where the sum of the OLB of all Eligible Loans made to such Obligor (including any Affiliate thereof) does not exceed $14,062,500 (or, after the SPV Merger Date, $15,000,000); provided that, for up to three (3) Obligors on any Measurement Date, the sum of the OLB of all Eligible Loans made each such Obligor may equal an amount not to exceed $17,578,125 (or, after the SPV Merger Date, $18,750,000)."

(b) Section 1.1 of the Loan and Security Agreement shall be amended by deleting the definition of "Existing Facilities" and inserting the following in lieu thereof:

""Existing Facilities": (a) Prior to the SPV Merger Date, the collective reference to (i) the Loan and Security Agreement, dated as of October 21, 2009, among New Mountain Guardian Debt Funding, L.L.C., as borrower, the Collateral Administrator, the lenders from time to time party thereto, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, National Association, as collateral custodian, and the other "Transaction Documents" (as defined therein), and (ii) the Loan and Security Agreement, dated as of November 19, 2009, among New Mountain Guardian Partners Debt Funding, L.L.C., as borrower, New Mountain Guardian Partners (Leveraged), L.L.C., as collateral manager, the lenders from time to time party thereto, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, National Association, as collateral custodian, and the other "Transaction Documents" (as defined therein), in each case as such agreements may be amended, restated, supplemented or otherwise modified from time to time and (b) thereafter, the Amended and Restated Loan and Security Agreement, dated on or about the SPV Merger Date, among New Mountain Finance Holdings, L.L.C., as borrower and Collateral Administrator, the lenders from time to time party thereto, Wells Fargo Securities, LLC, as administrative agent, and Wells Fargo Bank, National Association, as collateral custodian, and the other "Transaction Documents" (as defined therein)."

(c) Section 1.1 of the Loan and Security Agreement shall be amended by deleting the definition of "Facility Amount" and inserting the following in lieu thereof:

""Facility Amount": (a) At any time prior to the SPV Merger Date, $140,625,000 and (b) thereafter, $150,000,000, in each case as such amount may vary from time to time pursuant to Section 2.3 hereof; *provided* that on or after the earlier to occur of the Revolving Period End Date or the Termination Date, the Facility Amount shall mean the Advances Outstanding."

(d) Section 1.1 of the Loan and Security Agreement shall be amended by deleting the definition of "Non-Usage Fee Rate" and inserting the following in lieu thereof:

""Non-Usage Fee Rate": (a) During the first six (6) months following the Closing Date, 0.50%, (b) from six (6) to eight (8) months following the Closing Date, (i) 0.50% on the first $65,625,000 (or, after the SPV Merger Date, $70,000,000) of the Unused Facility Amount and (ii) a rate per annum equal to the then- current Applicable Spread on the portion of the Unused Facility Amount in excess of $65,625,000 (or, after the SPV Merger Date, $70,000,000) and (c) thereafter, (i) 0.50% of the first $28,125,000 (or, after the SPV Merger Date, $30,000,000) of the Unused Facility Amount and (ii) a rate per annum equal to the then-current Applicable Spread on the portion of the Unused Facility Amount in excess of $28,125,000 (or, after the SPV Merger Date, $30,000,000)."

(e) Section 1.1 of the Loan and Security Agreement shall be amended by deleting the definition of "Required Minimum Equity Amount" and inserting the following in lieu thereof:

""Required Minimum Equity Amount": The greater of (x) $46,875,000 (or, after the SPV Merger Date, $50,000,000) and (y) the aggregate OLB of the Loans of the three (3) largest Obligors forming part of the Collateral."

(f) Section 1.1 of the Loan and Security Agreement shall be amended by deleting the definition of "Unused Facility Amount" and inserting the

following in lieu thereof:

""Unused Facility Amount": (a) At any time prior to the SPV Merger Date, (i) $140,625,000 minus (ii) the Advances Outstanding at such time and (b) at any time on or after the SPV Merger Date, (i) $150,000,000 minus (ii) the Advances Outstanding at such time."

(g) Section 2.15 of the Loan and Security Agreement shall be amended by inserting the following new paragraph immediately after the last paragraph thereof:

"Notwithstanding any other provision of this Agreement, during the continuance of a Curable BDC Asset Coverage Event (as defined in the Existing Facilities), the Borrower shall not be permitted to make any Discretionary Sales without the prior written consent of the Administrative Agent."

(h) Annex B of the Loan and Security Agreement shall be amended by (i) deleting "93,750,000" and inserting "140,625,000" in lieu thereof and (ii) deleting "100,000,000" and inserting "150,000,000" in lieu thereof.

ARTICLE III

Representations and Warranties

SECTION 3.1. The Borrower hereby represents and warrants to the Administrative Agent and the Lender that, as of the Second Amendment Date, (i) no Default, Event of Default or Collateral Administrator Termination Event has occurred and is continuing and (ii) the representations and warranties of the Borrower contained in the Loan and Security Agreement are true and correct in all material respects on and as of such day (other than any representation and warranty that is made as of a specific date).

ARTICLE IV

Conditions Precedent

SECTION 4.1. This Second Amendment shall become effective as of the Second Amendment Date upon the satisfaction of the following conditions (or until such conditions are waived in writing by the Administrative Agent in its sole discretion):

(a) this Second Amendment shall have been duly executed by, and delivered to, the parties hereto;

(b) the Collateral Administrator on behalf of the Borrower shall have paid, or caused to be paid, to the Administrative Agent a structuring fee in an amount equal to $703,125;

(c) the Administrative Agent shall have received satisfactory evidence that the Borrower and the Collateral Administrator have obtained all required consents and approvals of all Persons to the execution, delivery and performance of this Second Amendment and the consummation of the transactions contemplated hereby;

(d) the Borrower and the Collateral Administrator shall each have delivered to the Administrative Agent a certification that no Default or Event of Default has occurred and is continuing in the form of Exhibit D to the Loan and Security Agreement, and such certification shall, with respect to the Collateral Administrator, include a representation that the Collateral Administrator has neither incurred nor suffered to exist any Indebtedness as of the Second Amendment Date;

(e) the Borrower and the Collateral Administrator shall each have delivered to the Administrative Agent a certification that such entity is Solvent in the form of Exhibit C to the Loan and Security Agreement;

(f) the Collateral Administrator shall have delivered to the Administrative Agent certification that no Change of Control or Collateral Administrator Termination Event has occurred and is continuing; and

(g) the Administrative Agent shall have received the executed legal opinion or opinions of Simpson, Thacher & Bartlett LLP counsel to the Borrower, covering (i) authorization and enforceability of this Second Amendment (ii) the sale of the Loans to the Borrower and (iii) non-consolidation of the Borrower, in each case in form and substance acceptable to the Administrative Agent in its reasonable discretion.

ARTICLE V

Miscellaneous

SECTION 5.1. Governing Law. THIS SECOND AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 5.2. Severability Clause. In case any provision in this Second Amendment shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 5.3. Ratification. Except as expressly amended hereby, the Loan and Security Agreement is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Second Amendment shall form a part of the Loan and Security Agreement for all purposes.

SECTION 5.4. Counterparts. The parties hereto may sign one or more copies of this Second Amendment in counterparts, all of which together shall constitute one and the same agreement. Delivery of an executed signature page of this Second Amendment by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 5.5. Headings. The headings of the Articles and Sections in this Second Amendment are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed as of the Second Amendment Date.

NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C., as the Borrower

By:New Mountain Guardian (Leveraged), L.L.C., its managing member

By:New Mountain Guardian AIV, L.P., its managing member

By:New Mountain Investments III, L.L.C., its general partner

By: /s/ Steven B. Klinsky
Name: Steven B. Klinsky
Title: Managing Member

WELLS FARGO SECURITIES, LLC,
as Administrative Agent

By: /s/ Kevin Sunday
Name: Kevin Sunday
Title: Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, representing 100% of the aggregate Commitments of the Lenders in effect as of the date hereof

By: /s/ Mike Romanzo
Name: Mike Romanzo
Title: Director

October 27, 2010

NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C.,
as Pledgor

WELLS FARGO SECURITIES, LLC,
as Administrative Agent on behalf of the Secured Parties

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Securities Intermediary

ACCOUNT CONTROL AGREEMENT

TABLE OF CONTENTS

ACCOUNT CONTROL AGREEMENT (this "**Agreement**"), dated as of October 27, 2010, among NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C. (the "**Pledgor**"), WELLS FARGO SECURITIES, LLC as Administrative Agent on behalf of the Secured Parties to the Loan Agreement defined below (the "**Secured Party**") and WELLS FARGO BANK, NATIONAL ASSOCIATION, as collateral custodian and securities intermediary (the "**Securities Intermediary**").

In consideration of the mutual agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

INTERPRETATION

Section 1. (a) Definitions. All terms used herein which are defined in the Loan and Security Agreement, dated as of the date hereof, among the Pledgor, New Mountain Guardian (Leveraged), L.L.C., as collateral administrator, the Secured Party and the Securities Intermediary (the "**Loan Agreement**") or in Article 8 or Article 9 of the UCC and which are not otherwise defined herein are used herein as so defined.

(b) Rules of Construction. Unless the context otherwise clearly requires: (i) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined; (ii) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms; (iii) the words

"include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (iv) the word "will" shall be construed to have the same meaning and effect as the word "shall"; (v) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein); (vi) any reference herein to any Person shall be construed to include such Person's successors and assigns; (vii) the words "herein," "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof; and (viii) all references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Agreement.

ARTICLE II

APPOINTMENT OF SECURITIES INTERMEDIARY

Section 2. Each of the Pledgor and the Secured Party hereby appoints the Securities Intermediary as securities intermediary hereunder. The Securities Intermediary hereby accepts such appointment. The Securities Intermediary shall be the agent of the Pledgor and Secured Party for the purposes of this Agreement.

ARTICLE III

THE SECURED ACCOUNTS

Section 3. (a) Establishment of Secured Accounts. The Securities Intermediary acknowledges and agrees that, at the direction and on behalf of the Secured Party, it has established and is maintaining on its books and records, in the name of the Pledgor, (i) the securities account designated as the "Collateral Account" with account number 80587200 (such account, together with any replacements thereof or substitutions therefor, the "**Collateral Account**"), (ii) the securities account designated as the "Principal Collections Account" with account number 80587202 (such account, together with any replacements thereof or substitutions therefor, the "**Principal Collections Account**") and (iii) the securities account designated as the "Interest Collections Account" with account number 80587201 (such account, together with any replacements thereof or substitutions therefor, the "**Interest Collections Account**" and, together with the Collateral Account and the Principal Collections Accounts, the "**Secured Accounts**").

(b) Status of Secured Accounts; Treatment of Property as Financial Assets; Relationship of Parties. The Securities Intermediary hereby agrees with the Pledgor and Secured Party that: (i) each Secured Account is a "securities account" (within the meaning of Section 8-501(a) of the UCC) in respect of which the Securities Intermediary is a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC); (ii) each item of property (whether cash, a security, an instrument or any other property) credited to any Secured Account shall be treated as a "financial asset" (within the meaning of Section 8-102(a)(9) of the UCC); and (iii) each Secured Account and any rights or proceeds derived therefrom are subject to a security interest in favor of the Secured Party arising under the Loan Agreement. The Pledgor and Secured Party hereby directs the Securities Intermediary, subject to the terms of this Agreement, to identify the Secured Party on its books and records as the "entitlement holder" (as defined in Section 8-102(a)(7) of the UCC) with respect to each Secured Account and the property held therein and the Securities Intermediary agrees to do the same.

(c) The Securities Intermediary will, by book-entry notation, promptly credit to the applicable Secured Account all property to be credited thereto pursuant to the Loan Agreement.

(d) Form of Securities, Instruments, etc. All securities and other financial assets credited to any Secured Account that are in registered form or that are payable to or to the order of shall be (i) registered in the name of, or payable to or to the order of, the Securities Intermediary, (ii) indorsed to or to the order of the Securities Intermediary or in blank or (iii) credited to another securities account maintained in the name of the Securities Intermediary; and in no case will any financial asset credited to any Secured Account be registered in the name of, or payable to or to the order of, the Pledgor or any other person or indorsed to or to the order of the Pledgor or any other person, except to the extent the foregoing have been specially indorsed to or to the order of the Securities Intermediary or in blank.

(e) Securities Intermediary's Jurisdiction. The Securities Intermediary agrees that, for the purposes of the UCC, its "securities intermediary's jurisdiction" (within the meaning of Section 8-110(e) of the UCC) shall be the State of New York.

(f) Conflicts with other Agreements. The Securities Intermediary agrees that, if there is any conflict between this Agreement (or any portion thereof) and any other agreement (whether now existing or hereafter entered into) relating to any Secured Account, the provisions of this Agreement shall prevail.

(g) No Other Agreements. The Securities Intermediary hereby confirms and agrees that:

(i) other than the Loan Agreement, there are no other agreements entered into between the Securities Intermediary and the Pledgor with respect to any Secured Account or any financial asset or security entitlement credited thereto;

(ii) other than the Loan Agreement, it has not entered into, and until the termination of this Agreement will not enter into, any other agreement with any other Person (including the Pledgor) relating to any Secured Account and/or any financial asset or security entitlement thereto (A) pursuant to which it has agreed or will agree to comply with entitlement orders (as defined in Section 8-102(a)(8) of the UCC) of such other Person or (B) with respect to the creation or perfection of any other security interest in any Secured Account or any financial asset or security entitlement credited thereto; and

(iii) it has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Pledgor or the Secured Party purporting to limit or condition the obligation of the Securities Intermediary to comply with entitlement orders as set forth in Section 3(h).

(h) Transfer Orders, Standing Instructions.

(i) The Pledgor, the Secured Party and the Securities Intermediary each agrees that if at any time a Responsible Officer of the Securities Intermediary shall receive an "entitlement order" (within the meaning of Section 8-102(a)(8) of the New York UCC) or any other order originated by the Secured Party and relating to any Secured Account or any financial assets or security entitlements credited thereto (collectively, a "**Transfer Order**"), the Securities Intermediary shall comply with such Transfer Order without further consent by the Pledgor or any other Person.

(ii) At any time prior to the delivery to the Securities Intermediary of a Notice of Exclusive Control, the Securities Intermediary shall comply with each Transfer Order it receives from the Pledgor.

(iii) Upon receipt by the Securities Intermediary of a Notice of Exclusive Control, and until such Notice of Exclusive Control is withdrawn or rescinded by the Secured Party in writing, the Securities Intermediary shall not comply with any Transfer Order it receives from the Pledgor and shall act solely upon Transfer Orders received from the Secured Party.

(iv) The Secured Party hereby agrees with the Pledgor that it shall not deliver a Notice of Exclusive Control except after the occurrence and during the

continuation of an Event of Default.

ARTICLE IV

THE SECURITIES INTERMEDIARY

Section 4. (a) Performance of Duties. The Securities Intermediary may execute any of the powers hereunder or perform any of its duties hereunder directly or by or through agents, attorneys or employees. The Securities Intermediary shall be entitled to consult with counsel selected with due care and to act in reliance upon the written opinion of such counsel concerning matters pertaining to its duties hereunder, and shall not be liable for any action taken or omitted to be taken by it in good faith in reliance upon and in accordance with the written opinion of such counsel. Except as expressly provided herein, the Securities Intermediary shall not be under any obligation to exercise any of the rights or powers vested in it by this Agreement at the request or direction of the Secured Party.

(b) No Change to Secured Accounts. Without the prior written consent of the Pledgor and the Secured Party, the Securities Intermediary will not change the account number or designation of any Secured Account.

(c) Certain Information. The Securities Intermediary shall promptly notify the Pledgor and the Secured Party if a Responsible Officer of the Securities Intermediary with direct responsibility for administration of this Agreement receives written notice that any Person asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the property credited to any Secured Account. The Securities Intermediary will send copies of all statements, confirmations and other correspondence relating to each Secured Account (and/or any financial assets credited thereto) simultaneously to the Pledgor and the Secured Party. The Securities Intermediary will furnish to the Secured Party and the Pledgor, upon request, an account statement with respect to each Secured Account.

(d) Subordination. Except as otherwise expressly provided for in this Agreement, the Securities Intermediary hereby waives any and all statutory, regulatory, contractual or other rights now or hereafter existing in favor of the Securities Intermediary over or with respect to any Secured Account, all property credited thereto and all security entitlements to such property (including (i) any and all contractual rights of set-off, lien or compensation, (ii) any and all statutory or regulatory rights of pledge, lien, set-off or compensation, (iii) any and all statutory, regulatory, contractual or other rights to put on hold, block transfers from or fail to honor instructions of the Pledgor (including, without limitation, Issuer Orders) with respect to any Secured Account or (iv) any and all statutory or other rights to prohibit or otherwise limit the pledge, assignment, collateral assignment or granting of any type of security interest in any Secured Account), except the Securities Intermediary may set off the face amount of any checks that have been credited to any Secured Account but are subsequently returned unpaid because of uncollected or insufficient funds.

(e) Limitation on Liability. The Securities Intermediary shall not have any duties or obligations except those expressly set forth herein and shall satisfy those duties expressly set forth herein so long as it acts without gross negligence, willful misconduct or bad faith. Without limiting the generality of the foregoing, the Securities Intermediary shall not be subject to any fiduciary duty or any implied duties, and the Securities Intermediary shall not have

any duty to take any discretionary action or exercise any discretionary powers. None of the Securities Intermediary, any Affiliate of the Securities Intermediary, or any officer, agent, stockholder, partner, member, director or employee of the Securities Intermediary or any Affiliate of the Securities Intermediary shall have any liability, whether direct or indirect and whether in contract, tort or otherwise (i) for any action taken or omitted to be taken by any of them hereunder or in connection herewith unless such act or omission constituted gross negligence, willful misconduct or bad faith or (ii) for any action taken or omitted to be taken by the Securities Intermediary in accordance with the terms hereof at the express direction of the Secured Party. In addition, the Securities Intermediary shall have no liability for making any investment or reinvestment of any cash balance in any Secured Account pursuant to the terms of this Agreement. The liabilities of the Securities Intermediary shall be limited to those expressly set forth in this Agreement. With the exception of this Agreement (and relevant terms used herein and expressly defined in the Loan Agreement), the Securities Intermediary is not responsible for or chargeable with knowledge of any terms or conditions contained in any agreement referred to herein, including, but not limited to, the Loan Agreement. In no event shall the Securities Intermediary have any responsibility to ascertain, inquire or monitor whether (a) any order or instruction (including, but not limited to, any Issuer Order issued by the Pledgor and any Transfer Order issued by the Secured Party) complies with the terms of the Loan Agreement or (b) an Event of Default has occurred.

(f) Reliance. The Securities Intermediary shall be entitled to conclusively rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing including, but not limited to, an electronic mail communication delivered to the Securities Intermediary under or in connection with this Agreement and in good faith believed by it to be genuine and to have been signed or sent by the proper Person. The Securities Intermediary may consult with legal counsel, independent accountants and other experts selected by it with due care, and shall not be liable for any action taken or not taken by the Securities Intermediary in good faith and in accordance with the advice of any such counsel, accountants or experts.

(g) Court Orders, etc. If at any time the Securities Intermediary is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects any Secured Account (including, but not limited to, orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of any Secured Account or any financial asset in any Secured Account), the Securities Intermediary is authorized to take such action as legal counsel of its own choosing advises appropriate to comply therewith; and if the Securities Intermediary complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, the Securities Intermediary will not be liable to any of the parties hereto or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(h) Successor Securities Intermediary.

(i) Merger. Any Person into whom the Securities Intermediary may be converted or merged, or with whom it may be consolidated, or to whom it may sell or

transfer its trust or other business and assets as a whole or substantially as a whole, or any Person resulting from any such conversion, sale, merger, consolidation or transfer to which the Securities Intermediary is a party, shall (*provided* it is otherwise qualified to serve as the Securities Intermediary hereunder) be and become a successor Securities Intermediary hereunder and be vested with all of the powers, immunities, privileges and other matters as was its predecessor without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

(ii) Resignation. The Securities Intermediary and any successor thereto may at any time resign by giving forty-five (45) days' written notice by registered, certified or express mail to the Secured Party and the Pledgor; *provided* that such resignation shall take effect only upon the date which is the later of the

effective date of the appointment of a successor Securities Intermediary acceptable to the Secured Party, as evidenced by its written consent and the acceptance in writing by such successor Securities Intermediary of such appointment and of its obligation to perform its duties hereunder in accordance with the provisions hereof. Subject to the preceding sentence, if on the 45th day after written notice of resignation is delivered by a resigning party as described above no successor party or temporary successor Securities Intermediary has been appointed in accordance herewith, the resigning party may petition a court of competent jurisdiction in New York City for the appointment of a successor.

(i) Compensation and Reimbursement. The Pledgor agrees: (a) to pay to the Securities Intermediary from time to time, reasonable compensation for all services rendered by it hereunder; and (b) to reimburse the Securities Intermediary upon its request for all reasonable expenses, disbursements and advances incurred or made by the Securities Intermediary in accordance with any provision of, or carrying out its duties and obligations under, this Agreement (including the reasonable compensation and fees and the expenses and disbursements of its agents, any Independent certified public accountants and Independent counsel), except any expense, disbursement or advance as may be attributable to gross negligence, bad faith or willful misconduct on the part of the Securities Intermediary.

(j) Securities Intermediary and their Affiliates. Wells Fargo Bank, National Association and any of its affiliates providing services in connection with the transactions contemplated in the Transaction Documents shall have only the duties and responsibilities expressly provided in its various capacities and shall not, by virtue of it or any Affiliate acting in any other capacity be deemed to have duties or responsibilities other than as expressly provided with respect to each such capacity. Wells Fargo Bank, National Association (or its Affiliates), in its various capacities in connection with the transactions contemplated in the Transaction Documents, including as Securities Intermediary, may enter into business transactions, including the acquisition of investment securities as contemplated by the Transaction Documents, from which it and/or such Affiliates may derive revenues and profits in addition to the fees stated in the various Transaction Documents, without any duty to account therefor.

ARTICLE V

INDEMNITY; LIMITATION ON DAMAGES; EXPENSES; FEES

Section 5. (a) Indemnity. (i) Subject to Section 5(a)(ii), the Pledgor hereby indemnifies and holds harmless the Securities Intermediary, its Affiliates and their respective officers, directors, employees, representatives and agents (collectively referred to for the purposes of this Section 5(a) as the Securities Intermediary), against any loss, claim, damage, expense or liability (including the costs and expenses of defending against any claim of liability), or any action in respect thereof, to which the Securities Intermediary may become subject, whether commenced or threatened, insofar as such loss, claim, damage, expense, liability or action arises out of or is based upon the execution, delivery or performance of this Agreement, but excluding any such loss, claim, damage, expense, liability or action arising out of the bad faith, gross negligence or willful misconduct of the Securities Intermediary, and shall reimburse the Securities Intermediary promptly upon demand for any reasonable and documented out-of-pocket legal or other expenses reasonably incurred by the Securities Intermediary in connection with investigating or preparing to defend or defending against or appearing as a third party witness in connection with any such loss, claim, damage, expense, liability or action as such expenses are incurred. No provision of this Agreement shall require the Securities Intermediary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The obligations of the Pledgor under this clause (a) are referred to as the "**Securities Intermediary Indemnity**". The provisions of this section will survive the termination of this Agreement and the resignation or removal of the Securities Intermediary.

(ii) The obligation of the Pledgor to pay any amounts in respect of the Securities Intermediary Indemnity shall be subject to the priority of payments set forth in the Loan Agreement and shall survive the termination of this Agreement and the resignation or removal of the Securities Intermediary.

(b) Expenses and Fees. The Pledgor shall be responsible for, and hereby agrees to pay, all reasonable and documented out-of-pocket costs and expenses incurred by the Securities Intermediary in connection with the establishment and maintenance of each Secured Account, including the Securities Intermediary's customary fees and expenses, any reasonable and documented out-of-pocket costs or expenses incurred by the Securities Intermediary as a result of conflicting claims or notices involving the parties hereto, including the reasonable fees and expenses of its external legal counsel, and all other reasonable costs and expenses incurred in connection with the execution, administration or enforcement of this Agreement including reasonable attorneys' fees and costs, whether or not such enforcement includes the filing of a lawsuit.

(c) No Consequential Damages. Notwithstanding anything in this Agreement to the contrary, in no event shall the Securities Intermediary be liable for special, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost

profits), even if the Securities Intermediary has been advised of such loss or damage and regardless of the form of action.

ARTICLE VI

REPRESENTATIONS AND AGREEMENTS

Section 6. The Securities Intermediary represents to and agrees with the Pledgor and the Secured Party that:

(a) Status. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(b) Powers. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance; and this Agreement has been, and each other such document will be, duly executed and delivered by it.

(c) Obligations Binding. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(d) Waiver of Setoffs. The Securities Intermediary hereby expressly waives any and all rights of setoff that such party may otherwise at any time have under Applicable Law with respect to any Secured Account.

(e) Ordinary Course. The Securities Intermediary, in the ordinary course of its business, maintains securities accounts for others and is acting in such capacity in respect of any Secured Account.

(f) Comply with Duties. The Securities Intermediary will comply at all times with the duties of a "securities intermediary" under Article 8 of the

UCC.

(g) Participant of the Federal Reserve Bank of New York. The Securities Intermediary is a member of the Federal Reserve System.

ARTICLE VII

ADVERSE CLAIMS

Section 7. Except for the claims and interest set forth in this Agreement, no Responsible Officer of the Securities Intermediary knows of any claim to, or interest in, any Secured Account or in any "financial asset" (as defined in Section 8-102(a) of the UCC) credited thereto. If any Person (as notified in writing to a Responsible Officer of the Securities Intermediary) asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any Secured Account or in any financial asset carried therein, the Securities Intermediary will promptly notify the Pledgor thereof (and the Pledgor shall promptly notify the Secured Party thereof).

ARTICLE VIII

TRANSFER

Section 8. Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by any party without the prior written consent of each other party. Any purported transfer that is not in compliance with this Section 8 will be void.

ARTICLE IX

TERMINATION

Section 9. The rights and powers granted herein to the Secured Party have been granted in order to perfect its security interest in each Secured Account and the financial assets contained therein, are powers coupled with an interest and will be affected neither by the bankruptcy of the Pledgor nor by the lapse of time. The obligations of the Securities Intermediary hereunder shall continue in effect until the earlier of (a) that date upon which the security interest of the Secured Party in each Secured Account has been terminated and (b) that date on which the Secured Party releases or terminates its security interest in each Secured Account.

ARTICLE X

MISCELLANEOUS

Section 10. (a) Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) Amendments. No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission), executed by each of the parties.

(c) Survival. All representations and warranties made in this Agreement or in any certificate or other document delivered pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement or such certificate or other document (as the case may be) or any deemed repetition of any such representation or warranty. In addition, the rights of the Securities Intermediary under Sections 4 and 5, and the obligations of the Pledgor under Section 5, shall survive the termination of this Agreement.

(d) Benefit of Agreement. Subject to Section 8, this Agreement shall be binding upon and inure to the benefit of the Pledgor, the Secured Party and the Securities Intermediary and their respective successors and permitted assigns.

(e) Counterparts. This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(f) No Waiver of Rights. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) Headings. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

(h) Severability. If any provision of this Agreement, or the application thereof to any party or any circumstance, is held to be unenforceable, invalid or illegal (in whole or in part) for any reason (in any jurisdiction), the remaining terms of this Agreement, modified by the deletion of the unenforceable, invalid or illegal portion (in any relevant jurisdiction), will continue in full force and effect, and such unenforceability, invalidity, or illegality will not otherwise affect the enforceability, validity or legality of the remaining terms of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the deletion of such portion of this Agreement will not substantially impair the respective expectations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties.

(i) No Agency. Notwithstanding anything that may be construed to the contrary, it is understood and agreed that the Securities Intermediary is not, nor shall it be considered to be, an agent, of the Secured Party. In addition, the Securities Intermediary shall not act or represent itself, directly or by implication, as an agent of the Secured Party or in any manner assume or create any obligation whatsoever on behalf of, or in the name of, the Secured Party.

ARTICLE XI

NOTICES

Section 11. (a) Effectiveness. Any notice or other communication in respect of this Agreement may be given in any manner set forth in Section 12.2 of the Loan Agreement.

(b) Change of Addresses. Any party may by written notice to the other change the address or facsimile number at which notices or other communications are to be given to it.

ARTICLE XII

GOVERNING LAW AND JURISDICTION

Section 12. (a) Governing Law. This Agreement, each Secured Account and any matter arising among the parties under or in connection with this Agreement or any Secured Account, will be governed by and construed in accordance with the laws of the State of New York.

(b) Jurisdiction. With respect to any suit, action or proceedings relating to this Agreement or any matter among the parties arising under or in connection with this Agreement ("**Proceedings**"), each party irrevocably: (i) submits to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction, nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) Service of Process. The parties irrevocably consent to service of process given in the manner provided for notices in Section 11. Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by law.

(d) Waiver of Jury Trial Right. **EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING.** Each party hereby (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that any other party would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph (d).

ARTICLE XIII

DEFINITIONS

Section 13. As used in this Agreement:

"**Agreement**" has the meaning specified in the Recitals.

"**Collateral Account**" has the meaning specified in Section 3(a).

"**consent**" includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

"**Interest Collections Account**" has the meaning specified in Section 3(a).

"**law**" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and "**lawful**" and "**unlawful**" will be construed accordingly.

"**Loan Agreement**" has the meaning specified in Section 1(a).

"**Notice of Exclusive Control**" a notice delivered to the Securities Intermediary by the Secured Party in accordance with Section 11(a) stating that the Secured Party is exercising exclusive control over the Secured Accounts.

"**Person**" any natural person or legal entity, including with out limitation any corporation, partnership, limited liability company, statutory or common law trust, or governmental entity or unit.

"**Pledgor**" has the meaning specified in the Recitals.

"**Principal Collections Account**" has the meaning specified in Section 3(a).

"**Proceedings**" has the meaning specified in Section 12(b).

"**Secured Accounts**" has the meaning specified in Section 3(a).

"**Secured Party**" has the meaning specified in the Recitals.

"**Securities Intermediary**" has the meaning specified in the Recitals.

"**Securities Intermediary Indemnity**" has the meaning specified in Section 5(a).

"**UCC**" the Uniform Commercial Code as in effect in the State of New York.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set forth above with effect from such date.

Pledgor:

NEW MOUNTAIN GUARDIAN SPV FUNDING, L.L.C., as the Borrower

By: New Mountain Guardian (Leveraged), L.L.C., its managing member

By: New Mountain Guardian AIV, L.P., its managing member

By: New Mountain Investments III, L.L.C., its general partner

By: /s/ Steven B. Klinsky
Name: Steven B. Klinsky
Title: Managing Member

Secured Party:

WELLS FARGO SECURITIES, LLC

By: /s/ Jason Powers
Name: Jason Powers
Title: Director

Securities Intermediary:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as securities intermediary

By: /s/ José M. Rodríguez
Name: José M. Rodríguez
Title: Vice President

Exhibit (f)(8)

EXECUTION VERSION

VARIABLE FUNDING NOTE

$93,750,000 October 27, 2010

THIS VARIABLE FUNDING NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). NEITHER THIS VARIABLE FUNDING NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD EXCEPT IN COMPLIANCE WITH THE REGISTRATION PROVISIONS OF THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM SUCH REGISTRATION PROVISIONS.

THIS VARIABLE FUNDING NOTE IS NOT PERMITTED TO BE TRANSFERRED, ASSIGNED, EXCHANGED OR OTHERWISE PLEDGED OR CONVEYED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE LOAN AND SECURITY AGREEMENT REFERRED TO HEREIN.

FOR VALUE RECEIVED, New Mountain Guardian SPV Funding, L.L.C., a Delaware limited liability company (the "Borrower"), promises to pay to Wells Fargo Bank, National Association ("Lender") or its assigns, the principal sum of NINETY THREE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS ($93,750,000), or, if less, the unpaid principal amount of the aggregate advances ("Advances") made by the Lender to the Borrower pursuant to the Loan and Security Agreement (as defined below), as set forth on the attached Schedule, on the dates specified in the Loan and Security Agreement, and to pay interest on the unpaid principal amount of each Advance on each day that such unpaid principal amount is outstanding, at the Interest Rate related to such Advance as provided in the Loan and Security Agreement, on each Payment Date and each other date specified in the Loan and Security Agreement.

This Variable Funding Note (this "Note") is issued pursuant to the Loan and Security Agreement, dated as of October 27, 2010 (as amended, modified, supplemented or restated from time to time, the "Loan and Security Agreement"), by and among New Mountain Guardian (Leveraged), L.L.C., as the collateral administrator (in such capacity, the "Collateral Administrator"), New Mountain Guardian SPV Funding, L.L.C., as the borrower (in such capacity, the "Borrower"), Wells Fargo Securities, LLC, as the Administrative Agent, each of the Lenders from time to time party thereto and Wells Fargo Bank, National Association, as the Collateral Custodian. Capitalized terms used but not defined herein shall have the meanings provided in the Loan and Security Agreement.

Notwithstanding any other provisions contained in this Note, if at any time the rate of interest payable by the Borrower under this Note, when combined with any and all other charges provided for in this Note, in the Loan and Security Agreement or in any other document (to the extent such other charges would constitute interest for the purpose of any applicable law limiting interest that may be charged on this Note), exceeds the highest rate of interest permissible under applicable law (the "Maximum Lawful Rate"), then for so long as the Maximum Lawful Rate would be exceeded, the rate of interest under this Note shall be equal to the Maximum Lawful Rate. If at any time thereafter the rate of interest payable under this Note is less than the Maximum Lawful Rate, the Borrower shall continue to pay interest under this Note at the Maximum Lawful Rate until such time as the total interest paid by the Borrower is equal to the total interest that would have been paid had applicable law not limited the interest rate payable under this Note. In no event shall the total interest received by the Lender under this Note exceed the amount which the Lender could lawfully have received had the interest due under this Note been calculated since the date of this Note at the Maximum Lawful Rate.

Payments of the principal of, and interest on, Advances represented by this Note shall be made by or on behalf of the Borrower to the holder hereof by wire transfer of immediately available funds in the manner and at the address specified for such purpose as provided in the Loan and Security Agreement, or in such manner or at such other address as the holder of this Note shall have specified in writing to the Borrower for such purpose, without the presentation or surrender of this Note or the making of any notation on this Note.

If any payment under this Note falls due on a day that is not a Business Day, then such due date shall be extended to the next succeeding Business Day and interest shall be payable on any principal so extended at the applicable Interest Rate.

If all or a portion of (i) the principal amount hereof or (ii) any interest payable thereon or (iii) any other amounts payable hereunder shall not be paid when due (whether at maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum that is equal to the Prime Rate plus 5.25%, in each case from the date of such non-payment to (but excluding) the date such amount is paid in full, provided that such interest rate shall not at any time exceed the Maximum Lawful Rate.

Portions or all of the principal amount of the Note shall become due and payable at the time or times set forth in the Loan and Security Agreement. Any portion or all of the principal amount of this Note may be prepaid, together with interest thereon (and, as set forth in the Loan and Security Agreement, certain costs and expenses of the Lender) at the time and in the manner set forth in, but subject to the provisions of, the Loan and Security Agreement.

Except as provided in the Loan and Security Agreement, the Borrower expressly waives presentment, demand, diligence, protest and all notices of any kind whatsoever with respect to this Note.

All amounts evidenced by this Note, the Lender's Advances and all payments and prepayments of the principal hereof and the respective dates and maturity dates thereof shall be endorsed by the Lender on the schedule attached hereto and made a part hereof or on a continuation thereof, which shall be attached hereto and made a part hereof; provided, however, that the failure of the Lender to make such a notation shall not in any way limit or otherwise affect the obligations of the Borrower under this Note as provided in the Loan and Security Agreement.

The holder hereof may sell, assign, transfer, negotiate, grant participations in or otherwise dispose of all or any portion of any Advances made by the Lender and represented by this Note and the indebtedness evidenced by this Note, subject to the applicable provisions of the Loan and Security Agreement.

This Note is secured by the security interests granted pursuant to Section 8.1 of the Loan and Security Agreement. The holder of this Note is entitled to the benefits of the Loan and Security Agreement and may enforce the agreements of the Borrower contained in the Loan and Security Agreement and exercise the remedies provided for by, or otherwise available in respect of, the Loan and Security Agreement, all in accordance with, and subject to the restrictions contained in, the terms of the Loan and Security Agreement. If an Event of Default shall occur, the unpaid balance of the principal of all Advances, together with accrued interest thereon, the Lenders may declare, or in certain circumstances, the unpaid principal balance thereof shall be declared, and become, due and payable, in each case, in the manner and with the effect provided in the Loan and Security Agreement.

The Borrower, the Seller, the Lenders, the Collateral Administrator and the Collateral Custodian each intend, for federal, state and local income and franchise tax purposes only, that

this Note be evidence of indebtedness secured by the Collateral, and the Lender, as a lender under the Loan and Security Agreement, by the acceptance hereof, agrees to treat

the Note for federal, state and local income and franchise tax purposes as indebtedness.

This Note is one of the "Variable Funding Notes" referred to in Section 2.1 of the Loan and Security Agreement and represents a ratable share of the security interest in the Collateral to the extent provided in the Loan and Security Agreement. This Note shall be construed in accordance with and governed by the laws of the State of New York.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed this Note as on the date first written above.

New Mountain Guardian SPV Funding, L.L.C., as the Borrower

By: New Mountain Guardian (Leveraged), L.L.C., its managing member

By: New Mountain AIV, L.P., its managing member

By: New Mountain Investments III, L.L.C., its general partner

By: /s/ Steven B. Klinsky
Name: Steven B. Klinsky
Title: Managing Member

Signature Page to Variable Funding Note

Schedule attached to Variable Funding Note dated October 27, 2010 of New Mountain Guardian SPV Funding, L.L.C. payable to the order of Wells Fargo Bank, National Association

Date of Advance or Repayment	Principal Amount of Advance	Principal Amount of Repayment	Outstanding Principal Amount

Exhibit (g)

INVESTMENT ADVISORY AND MANAGEMENT AGREEMENT

BETWEEN

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

AND

NEW MOUNTAIN FINANCE ADVISERS BDC, L.L.C.

Agreement (this "Agreement") made this th day of 2011, by and between NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., a Delaware limited liability company (the "Company"), and NEW MOUNTAIN FINANCE ADVISERS BDC, L.L.C., a Delaware limited liability company (the "Adviser").

WHEREAS, the Company is a closed-end management investment fund that intends to elect to be treated as a business development company ("BDC") under the Investment Company Act of 1940 (the "Investment Company Act");

WHEREAS, the Adviser is an investment adviser that is registered under the Investment Advisers Act of 1940 (the "Advisers Act"); and

WHEREAS, the Company desires to retain the Adviser to furnish investment advisory services to the Company on the terms and conditions hereinafter set forth, and the Adviser wishes to be retained to provide such services.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties hereby agree as follows:

1. Duties of the Adviser.

(a) The Company hereby employs the Adviser to act as the investment adviser to the Company and to manage the investment and reinvestment of the assets of the Company, subject to the supervision of the Board of Directors of the Company (the "Board"), for the period and upon the terms herein set forth. In the performance of its duties, the Adviser shall at all times conform to, and act in accordance with, any requirements imposed by (i) the provisions of the Investment Company Act, and of any rules or regulations in force thereunder, subject to the terms of any exemptive order applicable to the Company; (ii) any other applicable provision of law; (iii) the provisions of the Certificate of Formation and the limited liability company agreement of the Company, as such documents are amended from time to time; (iv) the investment objectives, policies and restrictions applicable to the Company as set forth in the New Mountain Finance Corporation's ("New Mountain Finance") Registration Statement on Form N-2, dated (the "Registration Statement"), as they may be amended from time to time by the Board upon written notice to the Adviser; and (v) any other policies and determinations of the Board provided in writing to the Adviser. Without limiting the generality of the foregoing, the Adviser shall, during the term and subject to the provisions of this Agreement, (i) determine the composition of the portfolio of the Company, the nature and timing of the changes therein and the manner of implementing such changes; (ii) identify, evaluate and

negotiate the structure of the investments made by the Company; (iii) execute, monitor and service the Company's investments; (iv) determine the securities and other assets that the Company will purchase, retain, or sell; (v) perform due diligence on prospective portfolio companies; (vi) vote, exercise consents and exercise all other rights appertaining to such securities and other assets on behalf of the Company; and (vii) provide the Company with such other investment advisory, research and related services as the Company may, from time to time, reasonably require for the investment of its funds. Subject to the supervision of the Board, the Adviser shall have the power and authority on behalf of the Company to effectuate its investment decisions for the Company, including the execution and delivery of all documents relating to the Company's investments and the placing of orders for other purchase or sale transactions on behalf of the Company. In the event that the Company determines to acquire debt financing, the Adviser will arrange for such financing on the Company's behalf, subject to the oversight and approval of the Board. If it is necessary for the Adviser to make investments on behalf of the Company through a special purpose vehicle, the Adviser shall have authority to create or arrange for the creation of such special purpose vehicle and to make such investments through such special purpose vehicle (in accordance with the Investment Company Act).

(b) The Adviser hereby accepts such employment and agrees during the term hereof to render the services described herein for the compensation provided herein.

(c) The Adviser shall for all purposes herein provided be deemed to be an independent contractor and, except as expressly provided or authorized herein, shall have no authority to act for or represent the Company in any way or otherwise be deemed an agent of the Company.

(d) The Adviser shall keep and preserve for the period required by the Investment Company Act any books and records relevant to the provision of its investment advisory services to the Company and shall specifically maintain all books and records in accordance with Section 31(a) of the Investment Company Act with respect to the Company's portfolio transactions and shall render to the Board such periodic and special reports as the Board may reasonably request. The Adviser agrees that all records that it maintains for the Company are the property of the Company and will surrender promptly to the Company any such records upon the Company's request, provided that the Adviser may retain a copy of such records.

2. Company's Responsibilities and Expenses Payable by the Company.

All investment professionals of the Adviser and their respective staffs, when and to the extent engaged in providing investment advisory and management services hereunder, and the compensation and routine overhead expenses of such personnel allocable to such services, will be provided and paid for by the Adviser and not by the Company. The Company will bear all other costs and expenses of its operations, administration and transactions, including (without limitation) those relating to: organizational and offering expenses; the investigation and monitoring of the Company's investments; the cost of calculating the Company's net asset value, including the cost of any third-party valuation services; interest payable on debt, if any, to finance the Company's investments; the cost of effecting sales and repurchases of shares of New Mountain Finance's common stock and other securities; management and incentive fees payable pursuant to this Agreement; fees payable to third parties relating to, or associated with, making

investments and valuing investments (including third-party valuation firms); transfer agent and custodial fees; fees and expenses associated with marketing efforts (including attendance at investment conferences and similar events); federal and state registration fees; any exchange listing fees; U.S. federal, state, local and foreign taxes; independent directors' fees and expenses; brokerage commissions; costs of proxy statements, stockholders' reports and notices; costs of preparing government filings, including periodic and current reports with the SEC; fees and expenses associated with independent audits and outside legal costs; costs associated with reporting and compliance obligations

under the 1940 Act and applicable federal and state securities laws; fidelity bond, liability insurance and other insurance premiums; and printing, mailing, independent accountants and outside legal costs and all other direct expenses incurred by either the Adviser, New Mountain Finance or the Company in connection with administering New Mountain Finance's and the Company's business, including payments under the administration agreement between New Mountain Finance, the Company and New Mountain Finance Administration, LLC (the "Administrator") based upon New Mountain Finance's and the Company's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to New Mountain Finance and the Company under the administration agreement, including the allocable portion of the compensation of New Mountain Finance's and the Company's chief financial officer and chief compliance officer and their respective staffs.

3. Compensation of the Adviser.

The Company agrees to pay, and the Adviser agrees to accept, as compensation for the services provided by the Adviser hereunder, a base management fee ("Base Management Fee") and an incentive fee ("Incentive Fee") as hereinafter set forth. The Company shall make any payments due hereunder to the Adviser or to the Adviser's designee as the Adviser may otherwise direct. To the extent permitted by applicable law, the Adviser may elect, or the Company may adopt a deferred compensation plan pursuant to which the Adviser may elect, to defer all or a portion of its fees hereunder for a specified period of time.

(a) The Base Management Fee shall be calculated at an annual rate of 1.75 % of the Company's gross assets, as presented in the Company's consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America, less (i) the outstanding indebtedness under the Second Amended and Restated Loan and Security Agreement dated March 9, 2011, by and among New Mountain Finance SPV Funding, L.L.C. as the borrower, Wells Fargo Securities, LLC, as the Administrative Agent, and Wells Fargo Bank, National Association, as the Collateral Custodian and (ii) cash and cash equivalents. For services rendered under this agreement, the Base Management Fee will be payable quarterly in arrears. The Base Management Fee will be calculated based on the average value of the Company's gross assets at the end of each of the two most recently completed calendar quarters, and appropriately adjusted on a pro rata basis for any equity capital raised or repurchased during the current calendar quarter. Base Management Fees for any partial month or quarter will be appropriately pro rated.

(b) The Incentive Fee shall consist of two parts, as follows:

(i) One part will be calculated and payable quarterly in arrears based on the Company's pre-Incentive Fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-Incentive Fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued by the Company during the calendar quarter, minus the Company's operating expenses for the quarter (including the Base Management Fee, expenses payable under the administration agreement with the Administrator, and any interest expense and distributions paid on any issued and outstanding preferred membership units, but excluding the Incentive Fee). Pre-Incentive Fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with pay in kind interest and zero coupon securities), accrued income that the Company has not yet received in cash. Pre-Incentive Fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Pre-Incentive Fee net investment income, expressed as a rate of return on the value of the Company's net assets at the end of the immediately preceding calendar quarter, will be compared to a "hurdle rate" of 2% per quarter (8% annualized), subject to a "catch-up" provision measured as of the end of each calendar quarter. The Company's net investment income used to calculate this part of the Incentive Fee is also included in the amount of its gross assets used to calculate the 1.75 % Base Management Fee. The Company will pay the Adviser an Incentive Fee with respect to the Company's pre-Incentive Fee net investment income in each calendar quarter as follows: (1) no Incentive Fee in any calendar quarter in which the Company's pre-Incentive Fee net investment income does not exceed the hurdle rate of 2% (the "preferred return" or "hurdle"); (2) 100% of the Company's pre-Incentive Fee net investment income with respect to that portion of such pre-Incentive Fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.5% in any calendar quarter (10% annualized); this portion of the pre-Incentive Fee net investment income (which exceeds the hurdle rate but is less than or equal to 2.5%) is referred to herein as the "catch-up." The "catch-up" is meant to provide the Adviser with an incentive fee of 20% on all of the Company's pre-Incentive Fee net investment income as if a hurdle rate did not apply when the Company's pre-Incentive Fee net investment income exceeds 2.5% in any calendar quarter; and (3) 20% of the amount of the Company's pre-Incentive Fee net investment income, if any, that exceeds 2.5% in any calendar quarter (10% annualized) payable to the Adviser once the hurdle is reached and the catch-up is achieved, (20% of all pre-Incentive Fee investment income thereafter is allocated to the Adviser). These calculations will be appropriately pro rated for any

period of less than three months and adjusted for any equity capital raises or repurchases during the relevant calendar quarter.

(ii) The second part of the Incentive Fee (the "Capital Gains Fee") will be determined and payable in arrears as of the end of each calendar year (or upon termination of this Agreement as set forth below), commencing on December 31, 2011, and will equal 20% of the Company's realized capital gains, if any, on a cumulative basis from inception through the end of each calendar year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain Incentive Fees; provided that the Incentive Fee determined as of December 31, 2011 will be calculated for a period of shorter than twelve calendar months to take into account any realized capital gains computed net of all realized capital losses and unrealized capital depreciation from inception. In the event that this Agreement shall terminate as of a date that is not a calendar year end, the termination date shall be treated as though it were a calendar year end for purposes of calculating and paying a Capital Gains Fee.

(iii) The last day of each calendar quarter in which the Adviser is entitled to receive an Incentive Fee shall be referred to herein as an "Incentive Fee Date."

4. Payment of Incentive Fee in Common Membership Units.

(a) The Company agrees to pay, and the Adviser agrees to accept, (x) the portion of the Incentive Fee that equals 50% of the After-Tax Amount (as defined below) in the Company's common membership units (the "Common Membership Units"), which Common Membership Units will be exchangeable into shares of New Mountain Finance's common stock ("NM Finance Common Stock") on a one-for-one basis, provided that the Securities and Exchange Commission has granted the Company and the Adviser an exemptive order under both the Investment Company Act and the Securities Exchange Act of 1934, as amended (the "Exchange Act") in a form acceptable to the Company and the Adviser, and (y) the remainder of the Incentive Fee in cash. Unless and until such exemptive relief is granted, the Company will pay the Adviser the entire Incentive Fee in cash. If such exemptive relief is granted, the number of Common Membership Units payable to the Adviser for its Incentive Fee will be calculated based on the market price of NM Finance Common Stock and in accordance with such restrictions and conditions as required by the exemptive orders, provided, however, that if the market price of NM Finance Common Stock is less than the net asset value of such NM Finance Common Stock with respect to any Incentive Fee Date, the Incentive Fee payable for that Incentive Fee Date will be paid in cash. The After-Tax Amount equals 100% of the Incentive Fee minus the amount of the Assumed Tax Liability. The Assumed Tax Liability equals the product of (x) the maximum combined U.S. federal, New York State and New York City tax rate applicable to an individual on ordinary income, and (y) 100% of the Incentive Fee.

(b)

(i) The Adviser agrees that until the expiration of the Lock-Up Period (as defined below) applicable to Common Membership Units issued pursuant to Section 4(a), the Adviser will not offer, sell, contract to sell, pledge, grant any option to purchase, exchange, convert, make any short sale or otherwise dispose of such Common Membership Units, or any options or warrants to purchase such Common Membership Units, or any securities convertible into, exchangeable for or that represent the right to receive such Common Membership Units, or enter into a transaction which would have the same effect or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such Common Membership Units. The foregoing restrictions are expressly agreed to preclude the Adviser from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of any Common Membership Units subject to the Lock-Up Period and held by the Adviser, even if such Common Membership Units would be disposed of by someone other than the Adviser. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Common Membership Units or with respect to any security that includes, relates to, or derives any significant part of its value from such Common Membership Units.

(ii) For purposes of this Section 4(b), with respect to those Common Membership Units, if any, payable on any particular Incentive Fee Date, the term "Lock-Up Period" shall mean: (1) with respect to one-third of the Common Membership Units payable on such Incentive Fee Date, the period beginning on the Incentive Fee Date and ending on the first anniversary of such Incentive Fee Date, (2) with respect to one-third of the Common Membership Units payable on such Incentive Fee Date, the period beginning on the Incentive Fee Date and ending on the second anniversary of such Incentive Fee Date, and (3) with respect to one-third of the Common Membership Units payable on such Incentive Fee Date, the period beginning on the Incentive Fee Date and ending on the third anniversary of such Incentive Fee Date.

(iii) Notwithstanding the foregoing, the Adviser may (i) convert the Common Membership Units into NM Finance Common Stock provided such NM Finance Common Stock is otherwise subject to the same Lock-Up Period described above, and (ii) transfer Common Membership Units or NM Finance Common Stock to any affiliate of the Adviser, as defined under the Investment Company Act, or an employee of any such affiliate, provided that such affiliate or employee agrees to be bound by the restrictions set forth in Section 4(b) hereof by executing an agreement substantially in the form attached as Exhibit A.

5. Covenants of the Adviser.

The Adviser agrees that its activities will at all times be in compliance in all material respects with all applicable federal and state laws governing its operations and investments.

6. Excess Brokerage Commissions.

The Adviser is hereby authorized, to the fullest extent now or hereafter permitted by law, to cause the Company to pay a member of a national securities exchange, broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another member of such exchange, broker or dealer would have charged for effecting that transaction, if the Adviser determines in good faith, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution, and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities, that such amount of commission is reasonable in relation to the value of the brokerage and/or research services provided by such member, broker or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Company's portfolio.

7. Limitations on the Employment of the Adviser.

The services of the Adviser to the Company are not exclusive, and the Adviser may engage in any other business or render similar or different services to others including, without limitation, the direct or indirect sponsorship or management of other investment based accounts or commingled pools of capital, however structured, having investment objectives similar to those of the Company, so long as its services to the Company hereunder are not impaired thereby, and nothing in this Agreement shall limit or restrict the right of any manager, partner, officer or employee of the Adviser to engage in any other business or to devote his or her time and attention in part to any other business, whether of a similar or dissimilar nature, or to receive any fees or compensation in connection therewith (including fees for serving as a director of, or providing consulting services to, one or more of the Company's portfolio companies, subject to applicable law). So long as this Agreement or any extension, renewal or amendment remains in effect, the Adviser shall be the only investment adviser for the Company. The Adviser assumes no responsibility under this Agreement other than to render the services called for hereunder. It is understood that directors, officers, employees and shareholders of the Company are or may become interested in the Adviser and its affiliates, as directors, officers, employees, partners, stockholders, members, managers or otherwise, and that the Adviser and directors, officers, employees, partners, stockholders, members and managers of the Adviser and its affiliates are or may become similarly interested in the Company as shareholders or otherwise.

8. Responsibility of Dual Directors, Officers and/or Employees.

If any person who is a manager, partner, officer or employee of the Adviser or the Administrator is or becomes a director, officer and/or employee of the Company and acts as such in any business of the Company, then such manager, partner, officer and/or employee of the Adviser or the Administrator shall be deemed to be acting in such capacity solely for the Company, and not as a manager, partner, officer or employee of the Adviser or the Administrator

or under the control or direction of the Adviser or the Administrator, even if paid by the Adviser or the Administrator.

9. Limitation of Liability of the Adviser; Indemnification.

The Adviser and its officers, managers, agents, employees, controlling persons, members (or their owners) and any other person or entity affiliated with it, shall not be liable to the Company for any action taken or omitted to be taken by the Adviser in connection with the performance of any of its duties or obligations under this Agreement or otherwise as an investment adviser of the Company (except to the extent specified in Section 36(b) of the Investment Company Act concerning loss resulting from a breach of fiduciary duty (as the same is finally determined by judicial proceedings) with respect to the receipt of compensation for services), and the Company shall indemnify, defend and protect the Adviser (and its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, (collectively, the "Indemnified Parties") and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other

proceeding (including an action or suit by or in the right of the Company or its security holders) arising out of or otherwise based upon the performance of any of the Adviser's duties or obligations under this Agreement or otherwise as an investment adviser of the Company. Notwithstanding the preceding sentence of this Section 8 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to the Company or its security holders to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Adviser's duties or by reason of the reckless disregard of the Adviser's duties and obligations under this Agreement (as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the Securities and Exchange Commission or its staff thereunder).

10. Effectiveness, Duration and Termination of Agreement.

(a) This Agreement shall continue in effect for two years from the date hereof, or to the extent consistent with the requirements of the Investment Company Act, from the date of the Company's election to be regulated as a BDC under the Investment Company Act, and thereafter shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by (A) the vote of the Board, or by the vote of a majority of the outstanding voting securities of the Company and (B) the vote of a majority of the Company's directors who are not parties to this Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of any such party, in accordance with the requirements of the Investment Company Act. Notwithstanding the foregoing, this Agreement may be terminated (i) by the Company at any time, without the payment of any penalty, upon giving the Adviser 60 days' written notice (which notice may be waived by the Adviser), provided that such termination by the Company shall be directed or approved by the vote of a majority of the directors of the Company in office at the time or by the vote of the holders of a majority of the voting securities of the Company at the time outstanding and entitled

to vote, or (ii) by the Adviser on 60 days' written notice to the Company (which notice may be waived by the Company).

(b) This Agreement will automatically terminate in the event of its "assignment" (as such term is defined for purposes of Section 15(a)(4) of the Investment Company Act).

11. Notices.

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other party at its principal office.

12. Amendments.

This Agreement may be amended by mutual written consent, but the consent of the Company must be obtained in conformity with the requirements of the Investment Company Act.

13. Entire Agreement; Governing Law.

This Agreement contains the entire agreement of the parties and supersedes all prior agreements, understandings and arrangements with respect to the subject matter hereof. This Agreement shall be construed in accordance with the laws of the State of New York and in accordance with the applicable provisions of the Investment Company Act. In such case, to the extent the applicable laws of the State of New York, or any of the provisions herein, conflict with the provisions of the Investment Company Act, the latter shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date above written.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name:
Title:

NEW MOUNTAIN FINANCE ADVISERS BDC, L.L.C.

By: _____
Name:
Title:

Exhibit A

Lock-Up Agreement

[Date]

New Mountain Finance Holdings, L.L.C.
787 7th Avenue
New York, NY 10019

Re: New Mountain Finance Holdings, L.L.C. - Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that New Mountain Finance Holdings, L.L.C. (the "Company"), is party to an investment management agreement dated (the "Agreement") with New Mountain Finance Advisers BDC, L.L.C. (the "Adviser") under which the Adviser agreed to accept and the Company agreed to pay the Adviser a portion of its Incentive Fee (as such term is defined in the Agreement) in the Company's common membership units (the "Common Membership Units"), and the Adviser

further agreed not to offer, sell, pledge or otherwise dispose of such Common Membership Units except in accordance with the Agreement.

In connection with any transfers by the Adviser to the undersigned of any such Common Membership Units, as permitted by the Agreement (the "Transferred Units"), the undersigned agrees that during the Lock-Up Period specified in the Agreement applicable to the Transferred Units, the undersigned will not offer, sell, contract to sell, pledge, grant any option to purchase, exchange, convert, make any short sale or otherwise dispose of any of such Transferred Units, or any options or warrants to purchase such Transferred Units, or any securities convertible into, exchangeable for or that represent the right to receive such Transferred Units, or enter into a transaction which would have the same effect or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such Transferred Units. The foregoing restrictions are expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of any Transferred Units subject to the Lock-Up Period, even if such Transferred Units would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Transferred Units or with respect to any security that includes, relates to, or derives any significant part of its value from such Transferred Units.

Notwithstanding the foregoing, the undersigned may transfer the Transferred Units (i) as a bona fide gift or gifts, provided that the donee or donees thereof agree to be bound in writing by the restrictions set forth herein, (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, or (iii) with the prior written consent of the Company. For

purposes of this agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, notwithstanding the foregoing, if the undersigned is a corporation, limited liability company, partnership (including a limited partnership) or other entity, such corporation, limited liability company, partnership (including a limited partnership) or other entity may transfer the Transferred Units to any wholly-owned subsidiary of such corporation, limited liability company, partnership (including a limited partnership) or other entity; provided, however, that in any such case, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such Transferred Units subject to the provisions of this agreement and there shall be no further transfer of such Transferred Units except in accordance with this agreement, and provided further that any such transfer shall not involve a disposition for value. The undersigned now has, and, except as contemplated by clause (i), (ii), or (iii) above, for the duration of this agreement will have, good and marketable title to the Transferred Units, free and clear of all liens, encumbrances, and claims whatsoever.

The undersigned understands that the Company and the Adviser are relying upon this agreement. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

_____

Exact Name

_____

Authorized Signature

_____

Title

New Mountain Finance Corporation

Common Stock, $[·] par value per share

Underwriting Agreement

, 2011

Goldman, Sachs & Co.,
Wells Fargo Securities, LLC,
Morgan Stanley & Co. Incorporated

As representatives (the "Representatives") of the several Underwriters
named in Schedule I hereto,

c/o Goldman, Sachs & Co.
200 West Street
New York, NY 10282-2198

Ladies and Gentlemen:

New Mountain Finance Corporation, a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters"), an aggregate of **[·]** shares (the "Firm Shares") and, at the election of the Underwriters, up to **[·]** additional shares (the "Optional Shares") of Common Stock, $**[·]** par value per share ("Stock") of the Company (the Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 3 hereof being collectively called the "Shares").

On July 22, 2010 and September 22, 2010, each of the Company and New Mountain Finance Holdings, L.L.C., formerly known as New Mountain Guardian (Leveraged), L.L.C., a Delaware limited liability company ("NMF LLC" and, together with the Company, the "Continuing Funds"), respectively, filed a Form N-6F Notice of Intent to be Subject to Sections 55 through 65 of the Investment Company Act of 1940 (File Nos. 814-00832 and 814-00839, respectively) (collectively, the "Notifications of Intent") with the Securities and Exchange Commission (the "Commission") under the Investment Company Act of 1940, as amended, and the rules and regulations thereunder (collectively, the "Investment Company Act"), pursuant to which each of the Company and NMF LLC notified the Commission that each intends to elect to be treated as a business development company ("BDC").

On or prior to the date hereof, each of the Company and NMF LLC filed with the Commission a Form N-54A Notification of Election to be Subject to Sections 55 through 65 of the Investment Company Act of 1940 (File Nos. 814-**[·]** and 814-**[·]**, respectively) (collectively, the "Notifications of Election"), pursuant to which each of the Company and NMF LLC elected to be treated as a BDC.

The Company intends to elect to be treated, and intends to qualify annually, as a regulated investment company ("RIC") (within the meaning of Section 851(a) of the Internal Revenue Code of 1986, as amended (the "Code")) commencing with its taxable year ending on December 31, 2011. NMF LLC intends to be treated as a partnership or a disregarded entity (rather than an association or partnership taxable as a corporation) for federal income tax purposes.

NMF LLC has entered into an investment management agreement, dated as of **[·]**, 2011 (the "Investment Management Agreement"), with New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company (the "Advisor"), which has registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and the rules and regulations thereunder (the "Advisers Act").

Each of the Company and NMF LLC has jointly entered into an administration agreement, dated as of **[·]**, 2011, (the "Administration Agreement"), with New Mountain Finance Administration, L.L.C., a Delaware limited liability company (the "Administrator").

Each of the Company and NMF LLC has jointly entered into a trademark license agreement, dated as of **[·]**, 2011, (the "License Agreement"), with the New Mountain Capital, L.L.C., a Delaware limited liability company ("New Mountain").

Each of the Company and NMF LLC has jointly entered into a safekeeping agreement, dated as of **[·]**, 2011 (the "Safekeeping Agreement"), with Wells Fargo Bank, N.A.

The Company has entered into one or more subscription agreements (collectively, the "Private Placement Agreements"), to sell to certain executives and employees of, and other individuals affiliated with, New Mountain, shares of Stock (the "Private Placement Shares") in a private placement transaction exempt from registration under the Securities Act of 1933, as amended (the "Act"), which is referred to herein as the "Concurrent Private Placement."

Prior to the First Time of Delivery (as defined in Section 5 hereof), the Company and NMF LLC, a wholly-owned subsidiary of New Mountain Guardian AIV, L.P., a Delaware limited partnership ("NMG AIV"), will complete a series of transactions (the "Formation Transactions") pursuant to the agreements described in this paragraph and as further described in the Registration Statement, the Pricing Prospectus and the Prospectus (each as defined herein) under the caption "Formation Transaction and Related Agreements." As used herein, "Continuing Funds Agreements" shall collectively mean the following agreements entered into in connection with the Formation Transactions and the offering of the Shares: (i) the merger agreement, dated **[·]**, 2011, by and between New Mountain Guardian Debt Funding, L.L.C., a Delaware limited liability company ("NMG Debt Fund"), and NMF LLC (the "NMG Debt Fund Merger Agreement"), (ii) the merger agreement, dated **[·]**, 2011, by and between New Mountain Guardian Partners Debt Funding, L.L.C., a Delaware limited liability company ("NMG Partners Debt Fund"), and New Mountain Guardian Partners (Leveraged), L.L.C., a Delaware limited liability company ("NMG Partners LLC" and, together with the NMG Debt Fund and the NMG Partners Debt Fund, the "Predecessor Funds"), (the "NMG Partners Debt Fund Merger Agreement"), (iii) the merger agreement, dated **[·]**, 2011, by and between NMG Partners LLC, New Mountain Guardian Partners, L.P., a Delaware limited partnership ("NMG Partners") and NMF LLC (the "NMG Partners LLC Merger Agreement"), (iv) the merger agreement, dated **[·]**, 2011, by and between New Mountain Guardian SPV Funding, L.L.C., a Delaware limited liability company ("Guardian SPV"), and New Mountain Guardian Partners SPV Funding, L.L.C., a Delaware limited liability company ("Guardian Partners SPV"), (the "SPV Merger Agreement" and, together with the NMG Debt Fund Merger Agreement, the NMG Partners Debt Fund Merger Agreement and the NMG Partners LLC Merger Agreement, the "Merger Agreements"), (v) the

contribution agreement, dated **[·]**, 2011, by and between NMG AIV, New Mountain Finance AIV Holdings Corporation, a Delaware corporation ("AIV Holdings" and, together with NMG Partners and NMG AIV, the "Affiliated Funds"), and NMF LLC (the "NMG AIV Contribution Agreement"), (vi) the contribution agreement, dated **[·]**, 2011, by and between NMG Partners, the Company and NMF LLC (the "NMG Partners Contribution Agreement" and, together with the NMG AIV Contribution Agreement, the "Contribution Agreements"), (vii) the amended and restated limited liability company agreement of NMF LLC, dated **[·]**, 2011, (the "NMF LLC Agreement"), (viii) the joinder agreement, dated **[·]**, 2011, to the NMF LLC Agreement with respect to AIV Holdings (the "AIV Holdings Joinder Agreement"), (ix) the joinder agreement, dated **[·]**, 2011, to the NMF LLC Agreement with respect to the Company (the "Company Joinder Agreement" and, together with the AIV Holdings Joinder Agreement, the "Joinder Agreements"), (x) the registration rights agreement, dated **[·]**, 2011, by and among the Company, AIV Holdings and the Advisor (the "Registration Rights Agreement"), (xi) the Investment Management Agreement, (xii) the Administration Agreement, (xiii) the License Agreement, (xiv) the Safekeeping Agreement, and (xv) the Private Placement Agreements. For purposes of this Agreement, the NMG Partners Contribution Agreement, the Company Joinder Agreement, the Registration Rights Agreement, the Administration Agreement, the License Agreement, the Safekeeping Agreement and the Private Placement Agreements are collectively referred to as the "Company Agreements;" and the Merger Agreements, the Contribution Agreements, the NMF LLC Agreement, the Joinder Agreements, the Investment Management Agreement, the Administration Agreement, the License Agreement and the Safekeeping Agreement are collectively referred to as the "NMF LLC Agreements."

The Company and Wells Fargo Securities, LLC (in its capacity as administrator of the directed share program, the "DSP Administrator") have agreed that up to 5% of the Firm Shares to be purchased by it under this Agreement (the "Reserved Securities") shall be reserved for sale by the DSP Administrator to the Company's directors, officers, employees and certain other persons identified by the Company (the "Reserved Security Offerees") as part of the distribution of the Firm Shares by the Underwriters, subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the Financial Industry Regulatory Authority ("FINRA") and all other applicable laws, rules and regulations. To the extent that any such Reserved Securities are not orally confirmed for purchase by any such Reserved Security Offeree before 10:00 a.m. (New York City time) on the first trading day on the New York Stock Exchange after the date of this Agreement, such Reserved Securities may, at the sole and absolute discretion of the Representatives and the DSP Administrator, be offered to the public as part of the public offering contemplated hereby or offered or sold to any other Reserved Security Offerees.

1. Each of the Continuing Funds, jointly and severally, represents and warrants to and agree with each of the Underwriters, and the Adviser and the Administrator, jointly and severally, represent and warrant to and agree with each of the Underwriters, that:

(a) A registration statement on Form N-2 (File No. 333-168280) (the "Initial Registration Statement") in respect of the Shares has been filed with the Commission; the Company is eligible to use Form N-2; the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Act, which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective

amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or, to the knowledge of the Company, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 497(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 497(h) under the Act in accordance with Section 6(A)(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(c) hereof) is hereinafter called the "Pricing Prospectus"; and the prospectus, filed with the Commission pursuant to Rule 497(h) under the Act in accordance with Section 6(A)(a) hereof and in the form first used by the Underwriters to confirm sales of the Shares, is hereinafter called the "Prospectus";

(b) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(c) For the purposes of this Agreement, the "Applicable Time" is **[·]** p.m. (Eastern time) on the date of this Agreement. The Pricing Prospectus, as of the Applicable Time when considered together with the price to the public and number of Shares to be offered set forth on the cover of the Prospectus (such price to the public and number of Shares being referred to herein as the "Pricing Information"), did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Additional Disclosure Item (as defined in Section 7 hereof) listed in Schedule II(a) hereto does not conflict in any material respect with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each such Additional Disclosure Item, as supplemented by and taken together with the Pricing Prospectus as of the Applicable Time when considered together with the Pricing Information, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in the Pricing Prospectus in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein; there are no contracts or agreements that are required to be described in the Registration Statement, the Pricing Prospectus or the Prospectus, or to be filed as an exhibit to the Registration Statement that have not been so described and filed as required;

(d) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and do not and will not, as of the applicable effective date as to each part of the Registration Statement and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(e) Since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been any change in the capital stock or long-term debt of any of the Continuing Funds or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of any of the Continuing Funds (any such change or development is hereinafter referred to as a "Material Adverse Change"), otherwise than as set forth or contemplated in the Pricing Prospectus;

(f) Each of the Continuing Funds has good and marketable title in fee simple to, or has valid rights to lease or otherwise use, all material real property and good and marketable title to all material personal property owned by them, including any assets acquired by the Continuing Funds as a result of the Formation Transactions, free and clear of all liens, encumbrances and defects except (i) such liens, encumbrances or defects as are described in the Pricing Prospectus or (ii) such as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change; the Continuing Funds own, lease or have access to all material properties and other assets that are necessary to the conduct of their business as described in the Registration Statement and the Pricing Prospectus;

(g) The Formation Transactions have been consummated on or prior to the date hereof (and at such times described in the Pricing Prospectus and the Prospectus) and conformed in all material respects to the terms as set forth or contemplated in the Pricing Prospectus and the Prospectus;

(h) Each of the Affiliated Funds, each of the Predecessor Funds and each of the Continuing Funds was duly formed and, at the time of the Formation Transactions, was validly existing and in good standing under the laws of the State of Delaware; each of the Affiliated Funds, each of the Predecessor Funds and each of the Continuing Funds had all required power and authority (limited liability company and other) necessary to effectuate the Formation Transactions; the Formation Transactions (i) did not conflict with or result in a violation of each of the Affiliated Funds', each of the Predecessor Funds' and each of the Continuing Funds' certificate of incorporation or certificate of formation, as applicable, or the bylaws or limited liability company agreement, as applicable, or (ii) conflict with or constitute a breach or violation of, or a default under any of the terms or provisions of any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which any of the Affiliated Funds, Predecessor Funds or the Continuing Funds was a party or to which they or any of their properties or assets was bound or (iii) result in a violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over any of the Affiliated Funds, Predecessor Funds or the Continuing Funds, or any of their properties, except, with respect to clause (ii), to the extent that any such violation would not reasonably be expected to result in a Material Adverse Change; all documents required under the DGCL and the Delaware LLC Act to effect the Formation Transactions have been duly filed with the Secretary of State of the State of Delaware; the Formation Transactions have become effective under the DGCL and the Delaware LLC

Act, to the extent applicable; and the Merger Agreements and the NMG Partners Contribution Agreement were legally sufficient under the DGCL and the Delaware LLC Act to vest in the Continuing Funds immediately following the completion of the Formation Transactions all right, title (vested by deed or otherwise under the laws of the State of Delaware) and interest in all the properties and assets of the Predecessor Funds immediately prior to such effective time;

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority to own its properties and conduct its business as described in the Pricing Prospectus and to enter into and perform its obligations under this Agreement and each of the Company Agreements, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified in any such jurisdiction would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change; and (ii) NMF LLC has been duly formed and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with limited liability company power and authority to own its properties and conduct its business as described in the Pricing Prospectus and to enter into and perform its obligations under this Agreement and each of the NMF LLC Agreements, and has been duly qualified as a foreign company for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified in any such jurisdiction would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change;

(j) The Company has an authorized capitalization as set forth in the Pricing Prospectus under the caption "Capitalization;" all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and conform in all material respects to the description of the Stock contained in the Pricing Prospectus and Prospectus; and all of the membership interests of NMF LLC have been duly and validly authorized and issued, are fully paid and non-assessable, except as otherwise set forth in the Pricing Prospectus and except as such non-assessability may be affected by Section 18-607 and 18-804 of the Delaware Limited Liability Company Act, and to the extent any such membership interests are owned directly or indirectly by the Company following the completion of the Formation Transactions, will be owned by the Company free and clear of all liens, encumbrances, equities or claims;

(k) The unissued Shares to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform in all material respects to the description of the Stock contained in the Prospectus and the offer and sale of the Shares as contemplated hereby has been duly approved by all necessary corporate action; no holder of Shares will be subject to personal liability by reason of being such a holder; and, except as otherwise set forth in the Pricing Prospectus and the Prospectus, the issuance of the Shares is not subject to any pre-emptive, co-sale right, rights of first refusal or other similar rights of any security holder of the Company or any other person;

(l) Neither of the Continuing Funds owns, directly or indirectly, any shares of stock, membership interests or any other equity or long-term debt securities of any corporation or other entity other than (i) as described in the Pricing Prospectus and the Prospectus under the "Formation Transactions and Related Agreements" and (ii) the corporations or other entities described in the Pricing Prospectus and the Prospectus under the caption "Portfolio Companies" (each a "Portfolio

Company" and collectively, the "Portfolio Companies"). The Continuing Funds do not control (as such term is defined in Section 2(a)(9) of the Investment Company Act) any of the Portfolio Companies;

(m) Immediately prior to the Formation Transactions, all of the outstanding membership or equity interests of each of the Predecessor Funds were duly authorized and issued and are fully paid and non-assessable (except as such non-assessability may be affected by Section 18-607 and 18-804 of the Delaware Limited Liability Company Act), and all outstanding membership or equity interests of each of the Predecessor Funds were owned, as applicable, by the Affiliated Funds free and clear of any security interests, claims, liens or encumbrances;

(n) This Agreement has been duly authorized, executed and delivered by the Continuing Funds; each of the Company Agreements and the NMF LLC Agreements has been duly authorized, executed and delivered by each of the Company and NMF LLC, respectively, and constitute valid, binding and enforceable agreements of the Company and NMF LLC, respectively, subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally; and the Investment Management Agreement has been approved by NMF LLC's board of directors and holders of membership interests in accordance with Section 15 of the Investment Company Act and contains the applicable provisions required by Section 205 of the Advisers Act and Section 15 of the Investment Company Act;

(o) None of the execution, delivery and performance of this Agreement or any of the Continuing Funds Agreements, or the consummation of the transactions contemplated hereby and thereby, will (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which each of the Continuing Funds is a party or by which each of the Continuing Funds is bound or to which any of their respective properties or assets are subject, (ii) result in any violation of the provisions of the certificate of incorporation or certificate of formation, as applicable, or the bylaws or limited liability company agreement, as applicable, of each of the Continuing Funds or (iii) result in a violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over each of the Continuing Funds or any of their properties after giving effect to any consents, approvals, authorizations, orders, registrations, qualifications and waivers as have been obtained or made as of the date of this Agreement (including, but not limited to, the no-action letter of the Commission dated **[·]** relating to Sections 12, 55 and 61 of the Investment Company Act), except, with respect to clause (i), to the extent that any such

conflict, breach or violation would not reasonably be expected to result in a Material Adverse Change; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the execution, delivery or performance of any of this Agreement or the Continuing Funds Agreements, or the consummation of the transactions contemplated hereby and thereby, except the registration under the Act of the Shares, such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters and such consents, approvals, authorization, orders, registrations or qualifications which have been obtained or effected;

(p) None of the Continuing Funds (i) is in violation of its respective organizational documents, including certificate of incorporation, certificate of formation, bylaws and limited liability company agreement, or (ii) is in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which each is a party or by which each or any of their respective properties may be bound, except, with respect to clause (ii), to the extent that any such default would not reasonably be expected to result in a Material Adverse Change;

(q) The statements set forth in the Pricing Prospectus and Prospectus under the caption "Description of New Mountain Finance's Capital Stock," insofar as they purport to constitute a summary of the terms of the Stock, and under the captions "Formation Transactions and Related Agreements," "Investment Management Agreement," "Administration Agreement," "License Agreement," "Regulation" "Material Federal Income Tax Considerations" and "Underwriting," insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair summaries in all material respects;

(r) Each of the Continuing Funds is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof, will not be required to register as an "investment company", as such term is used in the Investment Company Act;

(s) Other than as set forth in the Pricing Prospectus, there are no legal or governmental proceedings pending to which any of the Continuing Funds is a party or of which any property of any of the Continuing Funds is the subject which, would, individually or in the aggregate, reasonably be expected to have a material adverse effect on the current or future financial position, stockholders' equity or results of operations of any of the Continuing Funds; and, to the Continuing Funds' knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(t) Each of the Continuing Funds has duly elected to be regulated by the Commission as a BDC under the Investment Company Act, and no order of suspension or revocation has been issued or proceedings therefor initiated or, to the knowledge of each of the Continuing Funds, threatened by the Commission. Each such election is effective and has not been withdrawn and the provisions of each of the Continuing Funds' amended and restated certificate of incorporation or amended and restated certificate of formation, as applicable, and amended and restated bylaws or amended limited liability company agreement, as applicable, and compliance by each of the Continuing Funds with the investment objectives, policies and restrictions described in the Pricing Prospectus and the Prospectus will not conflict with the provisions of the Investment Company Act applicable to each of the Continuing Funds;

(u) Deloitte & Touche, LLP, who has certified certain financial statements of each of the Continuing Funds, is an independent registered public accounting firm as required by the Act and the rules and regulations of the Commission thereunder;

(v) The financial statements included in the Registration Statement, the Pricing Prospectus and the Prospectus, together with the related notes, present fairly, in all material respects, the financial position of each of the Continuing Funds at the dates indicated and the statement of operations, changes in net assets, cash flows and financial highlights of each of the Continuing Funds for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The selected financial data included in the Pricing Prospectus and the Prospectus present fairly the information shown therein and was compiled on a basis consistent with that of the audited financial statements included in the Pricing Prospectus and the Prospectus.

(w) Each of the Continuing Funds maintains a system of internal accounting and other controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization and with the investment objectives, policies and restrictions of the Company and the applicable requirements of the Investment Company Act and the Code; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP, to maintain accountability for assets and to maintain material compliance with

the books and records requirements under the Investment Company Act; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. There has been (1) no material weakness (whether or not remediated) in either of the Continuing Funds' internal control over financial reporting (as such term is defined in Rule 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")); (2) no change in either of the Continuing Funds' internal control over financial reporting that has materially negatively affected, or is reasonably likely to materially negatively affect, either of the Continuing Funds' internal control over financial reporting; and (3) no failure on the part of either of the Continuing Funds and any of their respective directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith to the extent applicable to the Continuing Funds.

(x) Each of the Continuing Funds has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15 and 15d-15 under the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures are designed to ensure that material information relating to each of the Continuing Funds, including material information pertaining to the operations and assets managed by the Advisor, is made known to the respective Continuing Fund's principal executive officer and principal financial officer by others within the respective Continuing Fund and the Advisor, and such disclosure controls and procedures are effective to perform the functions for which they were established;

(y) The terms of the Investment Management Agreement comply in all material respects with the applicable provisions of the Investment Company Act and the Advisers Act;

(z) Other than the Shares, none of the Continuing Funds have sold any securities, the sale of which is required to be registered under the Act; and the offer, issue, sale and delivery of Stock to NMG Partners in exchange for common membership units in NMF LLC in connection with the Formation Transactions, and the offer, issue, sale and delivery of the Private Placement Shares in connection with the Concurrent Private Placement, did not require registration under the Act, and such offer, issue, sale and delivery did not violate any provision of the Investment Company Act;

(aa) Except as set forth in the Pricing Prospectus and the Prospectus, (i) there are no agreements requiring the registration under the Act of, and (ii) there are no options, warrants or other rights to purchase any shares of, or exchange any securities for shares of, the Company's capital stock;

(bb) When the Notifications of Election were filed with the Commission, they (i) contained all statements required to be stated therein in accordance with, and compiled in all material respects with the requirements of, the Investment Company Act and (ii) did not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(cc) Following the execution and effectiveness of the License Agreement, the Continuing Funds own, or have obtained a valid and enforceable license for, or other

right to use, the trademarks (whether registered or unregistered) and trade names described in the Pricing Prospectus and the Prospectus as being licensed by them or which are necessary for the conduct of their businesses;

(dd) Each of the Continuing Funds maintain insurance covering their properties, operations, personnel and businesses as each Continuing Fund deems adequate; such insurance insures against such losses and risks to an extent which is adequate in accordance with customary industry practice to protect each of the Continuing Funds and their businesses; all such insurance is fully in force;

(ee) None of the Continuing Funds have sent or received any communication regarding termination of, or intent not to renew, any of the contracts or agreements referred to or described in, or filed as an exhibit to, the Registration Statement, and no such termination or non-renewal has been threatened by any of the Continuing Funds or, to each of the Continuing Funds' knowledge, any other party to any such contract or agreement;

(ff) None of the Continuing Funds have, directly or indirectly, extended credit, arranged to extend credit, or renewed any extension of credit, in the form of a personal loan, to or for any director or executive officer of any of the Continuing Funds, or to or for any family member or affiliate of any director or executive officer of any of the Continuing Funds;

(gg) None of the Continuing Funds nor, to any of the Continuing Funds' knowledge, any employee or agent of any of the Continuing Funds has made any payment of funds of any of the Continuing Funds or received or retained any funds in violation of any law, rule or regulation, which payment, receipt or retention of funds is of a character required to be disclosed in the Pricing Prospectus or the Prospectus;

(hh) None of the Continuing Funds nor, to any of the Continuing Funds' knowledge, any of its respective directors, officers, affiliates or controlling persons has taken, directly or indirectly, any action designed to result in, or which has constituted or might reasonably be expected to cause or result in, under the Exchange Act, the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares;

(ii) Except as disclosed in the Pricing Prospectus and the Prospectus, (i) no person is serving or acting as an officer, director or investment adviser of any of the Continuing Funds, except in accordance with the provisions of the Investment Company Act and the Advisers Act and (ii) to the knowledge of the Company, no director of any of the Continuing Funds is an "affiliated person" (as defined in the Investment Company Act) of any of the Underwriters;

(jj) The operations of each of the Continuing Funds are in compliance in all material respects with the provisions of the Investment Company Act applicable to a BDC and the rules and regulations of the Commission thereunder;

(kk) The Continuing Funds have not distributed and prior to the later to occur of (i) the First Time of Delivery and (ii) the completion of the distribution of the Shares will not distribute any offering material other than (A) the Registration Statement, the Pricing Prospectus and the Prospectus, and any amendment or supplement to any of the foregoing, (B) such materials as may be approved by the Representatives and filed with the Commission in accordance with Rule 482 of the Act and (C) a Canadian wrapper (the "Canadian Wrapper") prepared solely for use in distribution of the Pricing Prospectus and the Prospectus to Canadian persons;

(ll) None of the persons identified as "independent directors" in the Registration Statement or the Pricing Prospectus is an "interested person" as that term is defined in Section 2(a)(19) of the Investment Company Act;

(mm) Except as described in the Registration Statement and the Pricing Prospectus, no relationship, direct or indirect, exists between or among any of the Continuing Funds, on the one hand, and the directors, officers or stockholders of any of the Continuing Funds, on the other hand, that is required to be described in the Registration Statement or the Pricing Prospectus which is not so described;

(nn) Except as disclosed in the Registration Statement and the Pricing Prospectus, none of the Continuing Funds nor the Advisor have any material lending or other relationship with any affiliate

of any Underwriter and none of the Continuing Funds will use any of the proceeds from the sale of the Shares to repay any indebtedness owed to any affiliate of any Underwriter;

(oo) Except as set forth in or contemplated in the Pricing Prospectus and the Prospectus (exclusive of any supplement thereto), (i) each of the Continuing Funds has filed or has caused to be filed all foreign, federal, state and local tax returns required to be filed or has properly requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Change), (ii) each of the Continuing Funds has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Change, (iii) the Company intends to elect to be treated, and intends to operate its business so as to qualify as a RIC under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011, (iv) NMF LLC intends to direct the investment of the net proceeds of the offering of the Shares, and to operate its business, in such a manner so as to enable the Company to qualify as a regulated investment company under Subchapter M of the Code, commencing with its taxable year ending on December 31, 2011, and (v) NMF LLC has been organized as a limited liability company for state law purposes and intends to be treated as a partnership or a disregarded entity (rather than an association or partnership taxable as a corporation) for federal income tax purposes;

(pp) Each of the Continuing Funds is not aware that any executive officer, key employee or significant group of employees, if any, of any of the Continuing Funds plans to terminate employment with any of the Continuing Funds or is subject to any noncompete, nondisclosure, confidentiality, employment, consulting or similar agreement that would be violated by the present or proposed business activities of any of the Continuing Funds;

(qq) Each of the Continuing Funds (i) has adopted and implemented written policies and procedures reasonably designed to prevent violation of the Federal Securities Laws (as that term is defined in Rule 38a-1 under the Investment Company Act) by each of the Continuing Funds and (ii) is conducting its business in compliance with all laws, rules, regulations, decisions, directives and orders applicable to the Continuing Funds, except in the case of (i) and (ii) as would not, either individually or in the aggregate, reasonably be expected to, result in a Material Adverse Change;

(rr) None of the Continuing Funds nor, to the knowledge of any of the Continuing Funds, any director, officer, agent, employee, affiliate or other person acting on behalf of any of the Continuing Funds has taken any action, directly or indirectly, that has resulted or would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (collectively, the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA;

(ss) The operations of each of the Continuing Funds are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency

(collectively, "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving any of the

Continuing Funds with respect to the Money Laundering Laws is pending or, to the knowledge of any of the Continuing Funds, has been threatened;

(tt) None of the Continuing Funds nor, to the knowledge of any of the Continuing Funds, any director, officer, agent, employee, affiliate or person acting on behalf of any of the Continuing Funds is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and none of the Continuing Funds will directly or indirectly use any of the proceeds received by the Company from the sale of Shares contemplated by this Agreement, or lend, contribute or otherwise make available any such proceeds to any joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;

(uu) Any statistical and market-related data included in the Pricing Prospectus or the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate;

(vv) Each of the Continuing Funds represents and warrants to the Representatives that (i) the Registration Statement, the Pricing Prospectus and the Prospectus comply, and any further amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Registration Statement, the Pricing Prospectus and the Prospectus, as amended or supplemented, if applicable, are distributed in connection with the program for the sale of the Reserved Securities, and (ii) no authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities laws and regulations of foreign jurisdictions in which the Reserved Securities are offered outside the United States. None of the Continuing Funds has offered, or caused the Underwriters to offer, Shares to any person pursuant to the program for the sale of the Reserved Securities with the intent to influence unlawfully (i) a customer or supplier of any of the Continuing Funds to alter the customer's or supplier's level or type of business with any of the Continuing Funds, or (ii) a trade journalist or publication to write or publish favorable information about any of the Continuing Funds or any of their respective products or services; and

(ww) Each of the Continuing Funds has no consolidated subsidiaries as determined in accordance with GAAP, except for Guardian SPV and Guardian Partners SPV.

(xx) Each of Guardian SPV and Guardian Partners SPV, which are bankruptcy-remote entities that have been formed in connection with the establishment of a secured revolving credit facility (the "Credit Facility") described in each of the Preliminary Prospectus and the Prospectus, has been duly organized and is validly existing and in good standing under the laws of its jurisdiction of organization, is duly qualified to do business and is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of its business requires such qualification, and has all power and authority necessary to own or hold its properties and to conduct the businesses in which it is engaged. NMF LLC owns all of the outstanding equity interests of each of Guardian SPV and Guardian Partners SPV free and clear of any liens, charges or encumbrances in favor of any third parties, except such liens, charges or encumbrances as have been or may be imposed thereon in accordance with the terms and conditions of the Credit Facility. Each of Guardian SPV and Guardian Partners SPV does not employ any persons or conduct any business other than in connection with the Credit Facility, including the acquisition, holding or disposition of assets on behalf of NMF LLC, and the receipt of interest, dividends and principal payments thereon.

2. The Advisor and the Administrator, jointly and severally, represent and warrant to, and agree with, the Underwriters that:

(a) Since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of each of the Advisor and the Administrator (any such change or development is hereinafter referred to as an "Advisor Material Adverse Change" with respect to the Advisor and as an "Administrator Material Adverse Change" with respect to the Administrator), otherwise than as set forth or contemplated in the Pricing Prospectus;

(b) Each of the Advisor and the Administrator has been duly formed and is validly existing as a limited liability company and is in good standing under the laws of the State of Delaware, with power and authority to own its properties and conduct its business as described in the Pricing Prospectus, and each has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which each owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified in any such jurisdiction would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change;

(c) The Advisor is duly registered with the Commission as an investment adviser under the Advisers Act and is not prohibited by the Advisers Act or the Investment Company Act from acting under the Investment Management Agreement for NMF LLC as contemplated by the Pricing Prospectus and the Prospectus. There has been no proceeding initiated or, to the Advisor's knowledge, threatened by the Commission for the purpose of suspending the registration of the Advisor under the Advisers Act;

(d) (i) This Agreement and the Investment Management Agreement have each been duly authorized, executed and delivered by the Advisor and constitute valid, binding and enforceable agreements of the Advisor subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and (ii) this Agreement and the Administration Agreement have each been duly authorized, executed and delivered by the Administrator and constitute valid, binding and enforceable agreements of the Administrator subject, as to enforcement, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally;

(e) None of the execution, delivery and performance of this Agreement, the Investment Management Agreement or the Administration Agreement, or the consummation of the transactions contemplated hereby and thereby, will (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Advisor or the Administrator is a party or by which the Advisor or the Administrator is bound or to which any of the respective property or assets of each of the Advisor or the Administrator is subject, (ii) result in any violation of the provisions of each of the Advisor's or the Administrator's limited liability company agreement or (iii) result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or any of its properties after giving effect to any consents, approvals, authorizations, orders, registrations, qualifications and waivers as will have been obtained or made as of the date of this Agreement (including, but not limited to, the no-action letter of the Commission dated **[·]** relating to Sections 12, 55 and 61 of the Investment Company Act), except, with respect to clause (i), to the extent that any such conflict, breach or violation would not reasonably be expected to result either in

an Advisor Material Adverse Change or an Administrator Material Adverse Change; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the execution, delivery or performance of any of this Agreement, the Investment Management Agreement or the

Administration Agreement, or the consummation of the transactions contemplated hereby and thereby by the Advisor and the Administrator, except such as have been obtained under the Act, the Investment Company Act and the Advisers Act and except such consents, approvals, authorization, orders, registrations or qualifications which have been obtained or effected;

(f) There are no legal or governmental proceedings pending to which the Advisor or the Administrator is a party or of which any of their respective property is the subject which would reasonably be expected to individually or in the aggregate materially adversely affect either the Advisor's or the Administrator's ability to properly render services to either of the Continuing Funds under the Investment Management Agreement or Administration Agreement, as applicable, or have a material adverse effect on either the Advisor's or the Administrator's current or future financial position, stockholders' equity or results of operations and, to the Advisor's and the Administrator's knowledge, no such proceedings have been threatened or contemplated by governmental authorities or threatened by others;

(g) Neither the Advisor nor the Administrator (i) is in violation of its respective limited liability company agreement or (ii) is in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which either the Advisor or the Administrator is a party or by which either the Advisor or the Administrator or any of their respective properties may be bound, except, with respect to clause (ii), to the extent that any such default would not reasonably be expected to result in a Material Adverse Change;

(h) Each of the Advisor and the Administrator possesses all licenses, certificates, permits and other authorizations issued by appropriate federal, state or foreign regulatory authorities necessary to conduct their respective business, and neither the Advisor nor the Administrator has received any notice of proceeding relating to the revocation or modification of any such license, certificate, permit or authorization which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in an Advisor Material Adverse Change or an Administrator Material Adverse Change;

(i) The descriptions of the Advisor and the Administrator and each respective principals and business, and the statements attributable to each of the Advisor and the Administrator, in the Pricing Prospectus and the Prospectus do not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(j) Each of the Advisor and the Administrator has the financial resources available to each necessary for the performance of their respective services and obligations as contemplated in the Pricing Prospectus and under this Agreement and the Investment Management Agreement with respect to the Advisor, and under this Agreement and the Administration Agreement with respect to the Administrator;

(k) Each of the Advisor and the Administrator is not aware that (i) any of their respective executives, key employees or significant group of employees plans to terminate employment with either the Advisor or the Administrator, respectively, or (ii) any such executive or key employee is subject to any noncompete, nondisclosure, confidentiality, employment, consulting or similar

agreement that would be violated by either the Advisor's or the Administrator's present or proposed business activities;

(l) The Advisor maintains a system of internal controls sufficient to provide reasonable assurance that (i) transactions effectuated by the Advisor under the Investment Management Agreement are executed in accordance with its management's general or specific authorization and (ii) access to NMF LLC's assets is permitted only in accordance with its management's general or specific authorization;

(m) The Administrator maintains a system of internal controls sufficient to provide reasonable assurance that (i) transactions for which the Administrator has bookkeeping and record keeping responsibility for under the Administration Agreement are recorded as necessary to permit preparation of each of the Continuing Funds' financial statements in conformity with generally accepted accounting principles and to maintain accountability for each of the Continuing Funds' assets and (ii) the recorded accountability for such assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(n) Each of the Advisor and the Administrator has not taken, directly or indirectly, any action designed to result in, or which has constituted or might reasonably be expected to cause or result in, under the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares, and neither the Advisor nor the Administrator is aware of any such action being taken by any of their respective affiliates;

(o) Neither the Advisor nor the Administrator nor, to their respective knowledge, any director, officer, agent, employee, affiliate or other person, in each case, acting on behalf of each of the Advisor or the Administrator has taken any action, directly or indirectly, that has resulted or would result in a violation by such persons of the FCPA, including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA;

(p) Each of the Advisor's and the Administrator's operations are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Money Laundering Laws and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving either the Advisor or the Administrator with respect to the Money Laundering Laws is pending or, to each of the Advisor's or the Administrator's knowledge, threatened; and

(q) Neither the Advisor nor the Administrator nor, to their respective knowledge, any director, officer, agent, employee, affiliate or other person acting on behalf of each of the Advisor or the Administrator is currently subject to any U.S. sanctions administered by the OFAC; and neither the Advisor or the Administrator will cause the Company to use any of the proceeds received by the Company from the sale of Shares contemplated by this Agreement, or cause the Company to lend, contribute or otherwise make available any such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

3. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to

purchase from the Company, at a purchase price per share of $[·] (which reflects $[ ] per share (the public offering price) less $[ ] per share, which are the underwriting discounts and commissions that are being borne by NMF LLC), the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share of $[·], that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to**[·]** Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares, provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 5 hereof) or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

4. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

5. (a) The Shares to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to the Representatives, through the facilities of the Depository Trust Company ("DTC"), for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to the Representatives (which shall be an account of NMF LLC, unless the Company otherwise provides notice to the Representatives) at least forty-eight hours in advance. The Company will cause the certificates representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the "Designated Office"). The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30a.m., New York City time, on **[·],** 2011 or such other time and date as the Representatives and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York City time, on the date specified by the Representatives in the written notice given by the Representatives of the Underwriters' election to purchase such Optional Shares, or such other time and date as the Representatives and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at eachTime of Delivery by or on behalf of the parties hereto pursuant to Section 9 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 9(k) hereof, will be delivered at the offices of Sutherland Asbill & Brennan LLP, 1275 Pennsylvania Avenue, Washington, D.C. 20004 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Agreement "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

6. (A) Each of the Continuing Funds agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 497 under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Time of Delivery which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish you with copies thereof; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required (i) to qualify as a foreign corporation, (ii) to file a general consent to service of process in any jurisdiction or (iii) to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise subject;

(c) Prior to 3:00 p.m., New York City time, on the New York Business Day next succeeding the date of this Agreement or as otherwise agreed to by the Company and the Representatives and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time by the Act after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the

Prospectus in order to comply with the Act, to notify you and upon your request to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to the Company's securityholders as soon as practicable, but in any event not later than 16 months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the date180 days after the date of the Prospectus (the "Lock-Up Period"), not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, exchange, convert, make any short sale or otherwise dispose, except as provided hereunder, of any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of Stock, or any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock, including membership interests in NMF LLC or any such substantially similar securities (other than pursuant to a dividend reinvestment plan described in the Pricing Prospectus) or (ii) publicly announce an intention to effect any transaction specified in clause (i), without the prior written consent of Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated; provided, however, that if (1) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or announces material news or a material event or (2) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 15-day period following the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the

material news or material event, as applicable, unless each of Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated waives, in writing, such extension; the Company will provide Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated, each holder of Stock and each holder of common membership units of NMF LLC subject to the Lock-Up Period pursuant to the lockup letters described in Section 9(n) with prior notice of any such announcement that gives rise to an extension of the Lock-up Period;

(f) For one year following the date hereof, to furnish to its stockholders after the end of each fiscal year, within the required time period for filing thereof (or as soon as practicable thereafter), an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders, within the required time period for filing thereof (or as soon as practicable thereafter), consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail; provided, however, that the Company will be deemed to have satisfied the

requirements of this paragraph (f) if the Company files with or furnishes to the Commission the reports, documents or information of the types otherwise so required;

(g) To use the net proceeds received by the Company from the sale of the Shares pursuant to this Agreement, and to use the net proceeds received by NMF LLC from the Company pursuant to the Acquisition Agreement, in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds";

(h) To use its best efforts to list, subject to notice of issuance, the Shares on the New York Stock Exchange (the "Exchange");

(i) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act;

(j) To use its commercially reasonable efforts to cause the Company to qualify for and elect, commencing with its taxable year ending December 31, 2011, to be treated as a regulated investment company under Subchapter M of the Code; and to use its commercially reasonable efforts to maintain such qualification and election in effect for each taxable year during which the Company is a BDC under the Investment Company Act;

(k) To use its best efforts to cause NMF LLC to qualify as a partnership or a disregarded entity (rather than an association or partnership taxable as a corporation) for federal income tax purposes; and to use its commercially reasonable efforts to maintain such qualification and election in effect for each taxable year during which the Company is a BDC under the Investment Company Act;

(l) To use, during a period of two years from the effective date of the Registration Statement, its commercially reasonable efforts to maintain its status as a BDC; provided, however, each of the Continuing Funds may change the nature of its business so as to cease to be, or to withdraw its election as, a BDC, with the approval of its board of directors and a vote of stockholders as required by Section 58 and Section 12(d)(1)(E) of the Investment Company Act or any successor provision;

(m) Not to take, directly or indirectly, any action designed, or which could reasonably be expected to cause or result in, under the Exchange Act, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares;

(n) Before using, approving or referring to any Additional Disclosure Item (as defined in Section 7 hereof), the Company will furnish to the Representatives and counsel for the Underwriters a copy of such material for review and will not make, prepare, use, authorize, approve or refer to any such material to which the Representatives reasonably object;

(o) To comply with the applicable provisions of the Act, the Exchange Act and the Investment Company Act, and the rules and regulations thereunder, so as to permit the completion of the distribution of the Shares as contemplated in this Agreement and the Prospectus.

(B) Each of the Advisor and the Administrator agrees with each of the Underwriters not to take, directly or indirectly, any action designed, or which could reasonably be expected to cause or result in, under the Exchange Act, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares.

7. The Company represents and agrees that, without the prior consent of the Representatives, (i) it will not distribute any offering material other than the Registration Statement, the Pricing Prospectus or the Prospectus, and (ii) it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act and which the parties agree, for the purposes of this Agreement, includes (x) any "advertisement" as defined in Rule 482 under the Act; and (y) any sales literature, materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Shares, including any in-person roadshow or investor presentations (including slides and scripts relating thereto) made to investors by or on behalf of the Company (the materials and information referred to in this Section 7 are herein referred to as an "Additional Disclosure Item"); any Additional Disclosure Item the use of which has been consented to by the Representatives is listed on Schedule II(a) hereto.

8. Each of the Continuing Funds jointly and severally covenants and agrees with the several Underwriters that the Continuing Funds will pay or cause to be paid the following:

(a) (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing, reproduction and filing of the Registration Statement, any Preliminary Prospectus, and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum and closing documents (including any compilations thereof) in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 6A(b) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, any required review by FINRA of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar; (viii) all "road show" expenses of the Company (provided that the Continuing Funds will pay fifty percent (50%) of the aggregate cost of any private aircraft used in connection with such "road show" presentations) and (ix) all other costs and expenses incident to the performance of any of the Continuing Funds, the Advisor and the Administrator of their obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 10, 11 and 13 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make; and

(b) (i) all reasonable fees and disbursements of counsel incurred by the Underwriters in connection with matters related to the Reserved Securities and the establishment and administration of the program for the sale of the Reserved Securities (the "Directed Share Program"), (ii) all reasonable costs and expenses incurred by the Underwriters in connection with the printing (or reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of copies of the

Directed Share Program material and (iii) all reasonable stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program.

9. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties

and other statements of each of the Continuing Funds, the Advisor and the Administrator herein are, at and as of such Time of Delivery, true and correct, the condition that each of the Continuing Funds, the Advisor and the Administrator shall have performed all of their respective obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 497 under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 6A(a) hereof; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no stop order suspending or preventing the use of the Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Sutherland Asbill & Brennan LLP, counsel for the Underwriters, shall have furnished to you such written opinion or opinions, dated such Time of Delivery, in form and substance satisfactory to you, with respect to such matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Fried, Frank, Harris, Shriver & Jacobson LLP, counsel for the Continuing Funds, the Advisor, the Administrator, the Affiliated Funds and the Predecessor Funds shall have furnished to you their written opinion (a draft of such opinion is attached as Annex II hereto), dated such Time of Delivery, in form and substance satisfactory to you;

(d) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at such Time of Delivery, Deloitte & Touche, LLP shall have furnished to the Representatives a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to the Representatives, to the effect set forth in Annex I hereto (the executed copy of the letter delivered prior to the execution of this Agreement is attached as Annex I(a) hereto and a draft of the form of letter to be delivered on the effective date of any post-effective amendment to the Registration Statement and as of each Time of Delivery is attached as Annex I(b) hereto);

(e) Since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock or long-term debt of any of the Continuing Funds or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of any of the Continuing Funds otherwise than as set forth or contemplated in the Pricing Prospectus, the effect of which, is in the Representatives' judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(f) On or after the Applicable Time, to the extent any of the Continuing Funds have rated debt securities, (i) no downgrading shall have occurred in the rating accorded any of the Continuing Funds' debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act, and (ii) no such organization

shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of any of the Continuing Funds' debt securities;

(g) On or after the Applicable Time, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the Representatives' judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(h) The Shares to be sold at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange;

(i) The Company shall have complied with the provisions of Section 6(A)(c) hereof with respect to the furnishing of prospectuses;

(j) Each of the Continuing Funds, the Advisor and the Administrator shall have furnished or caused to be furnished to you at such Time of Delivery certificates of their respective officers satisfactory to you as to the accuracy of the representations and warranties of each of the Continuing Funds, the Advisor and the Administrator herein at and as of such Time of Delivery, as to the performance by each of the Continuing Funds, the Advisor and the Administrator of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as you may reasonably request, provided that the Continuing Funds, the Advisor or the Administrator, as applicable, have been informed as to such other matters for which certificates will be requested prior to the Applicable Time;

(k) The Formation Transactions shall have been consummated on the terms and in the manner contemplated by this Agreement, the Pricing Prospectus and the Prospectus, and each of the Continuing Funds shall be regulated as a BDC under the Investment Company Act; and

(l) The Company shall have obtained and delivered to the Underwriters executed copies of an agreement from each of the Company's directors and officers and from NMG Partners with respect to the Stock, and from Finance AIV Holdings with respect to the common membership units of NMF LLC held by Finance AIV Holdings (as considered prior to the First Time of Delivery), substantially to the effect set forth in Section 6(A)(e) hereof in form and substance satisfactory to you.

10. Indemnification.

(a) Each of the Continuing Funds, jointly and severally, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Additional Disclosure Item, or arise out of or are based upon the omission or alleged

omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that none of the Continuing Funds shall be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Additional Disclosure Item in reliance upon and in conformity with written information furnished to any of the Continuing Funds by any Underwriter through the Representatives expressly for use therein.

(b) The Advisor and the Administrator, jointly and severally, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Additional Disclosure Item, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred, provided, however, that the Advisor or the Administrator shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Additional Disclosure Item in reliance upon and in conformity with written information furnished to any of the Continuing Funds, the Advisor or the Administrator by any Underwriter through the Representatives expressly for use therein.

(c) Each Underwriter, severally and not jointly, will indemnify and hold harmless each of the Continuing Funds, the Advisor and the Administrator against any losses, claims, damages or liabilities to which any of Continuing Funds, the Advisor or the Administrator may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Additional Disclosure Item, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Additional Disclosure Item, in reliance upon and in conformity with written information furnished to any of the Continuing Funds, the Advisor or the Administrator by such Underwriter through the Representatives expressly for use therein; and will reimburse any of the Continuing Funds, the Advisor or the Administrator for any legal or other expenses reasonably incurred by any of the Continuing Funds, the Advisor or the Administrator in connection with investigating or defending any such action or claim as such expenses are incurred. Each of the Continuing Funds, the Advisor and the Administrator acknowledge that (i) the second and third sentences of the fifth paragraph related to concessions and reallowances and

(ii) the eleventh, twelfth and thirteenth paragraphs related to stabilization, syndicate covering transactions and penalty bids under the heading “Underwriting” in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus constitute the only information furnished in writing by or on behalf of the Underwriters specifically for inclusion in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus.

(d) In addition to and without limitation to the indemnification obligations of the Continuing Funds pursuant to the other provisions of this Section 10, each of the Continuing Funds agrees to indemnify and hold harmless the DSP Administrator, each person, if any, who controls the DSP Administrator within the meaning of the Act, and each broker-dealer affiliate of such DSP Administrator, as follows: (i) against any and all loss, claim, damage and expense whatsoever, as incurred, (A) arising out of the violation of any applicable laws, rules or regulations of any foreign jurisdictions where Reserved Securities have been or are offered or sold, (B) arising out of any untrue statement or alleged untrue statement of a material fact contained in any prospectus “wrapper” or other material prepared by or with the consent of the Company for delivery or distribution to Reserved Securities Offerees or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (C) arising out of the failure of any Reserved Security Offeree to pay for or accept delivery of the Reserved Securities which such Reserved Security Offeree agreed (orally or in writing, including, without limitation, by email, by notice of acceptance given by means of a website or by any other form of electronic communication) to purchase, or (D) otherwise arising out of or in connection with the offering or sale of the Reserved Securities; (ii) against any and all loss, liability, claim, damages or liabilities and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any matter referred to in (B) above; provided that (subject to Section 11(e) below) any such settlement is effected with the written consent of the Company; and (iii) against any and all expense whatsoever (including the fees and disbursements of counsel chosen by the DSP Administrator), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any matter referred to in (i) above, to the extent that any such expense is not paid under (i) or (ii) above.

(e) Promptly after receipt by an indemnified party under subsection (a), (b), (c) or (d) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party under such subsection, except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the

entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(f) If the indemnification provided for in this Section 10 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a), (b), (c) or (d) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein but is otherwise applicable in accordance with its terms, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Continuing Funds, the Advisor and the Administrator on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if

the indemnified party failed to give the notice required under subsection (e) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Continuing Funds, the Advisor and the Administrator on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations, or, in the case of indemnification pursuant to subsection (d), matters referred to in such subsection. The relative benefits received by the Continuing Funds, the Advisor and the Administrator on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Continuing Funds, the Advisor or the Administrator on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, or, in the case of indemnification pursuant to subsection (d), matters referred to in such subsection. The Continuing Funds, the Advisor and the Administrator and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (f) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (f). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (f) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (f), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The

Underwriters' obligations in this subsection (f) to contribute are several in proportion to their respective underwriting obligations and not joint.

(g) The obligations of the Continuing Funds, the Advisor and the Administrator under this Section 10 shall be in addition to any liability which each of the Continuing Funds, the Advisor or the Administrator may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer affiliate of any Underwriter; and the obligations of the Underwriters under this Section 10 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of each of the Continuing Funds (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company or NMF LLC), the Advisor or the Administrator and to each person, if any, who controls any of the Continuing Funds, the Advisor or the Administrator within the meaning of the Act. No party shall be entitled to indemnification under this Section 10 if such indemnification of such party would violate Section 17(i) of the Investment Company Act.

11. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Shares, or the Company notifies you that it has so arranged for the purchase of such Shares, you or the Company shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to

the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 8 hereof and the indemnity and contribution agreements in Sections 10 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

12. The respective indemnities, agreements, representations, warranties and other statements of each of the Continuing Funds, the Advisor, the Administrator and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or any of the Continuing Funds, or any officer or director or controlling person of any of the Continuing Funds, and shall survive delivery of and payment for the Shares.

13. If this Agreement shall be terminated pursuant to Section 11 hereof, each of the Continuing Funds, the Advisor and the Administrator shall not then be under any liability to any Underwriter except as provided in Sections 8 and 10, hereof; but, if for any other reason, other than the occurrence of an event provided in Section 9(g) hereof, any Shares are not delivered by or on behalf of the Company as provided herein, each of the Continuing Funds, jointly and severally, will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but each of the Continuing Funds shall then be under no further liability to any Underwriter except as provided in Sections 8 and 10 hereof.

14. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Goldman, Sachs & Co., Wells Fargo Securities, LLC or Morgan Stanley & Co. Incorporated on behalf of you as the representatives.

All statements, requests, notices and agreements hereunder shall be in writing, and:

(i) if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the Representatives in care of Goldman, Sachs & Co., 200 West Street, New York, NY 10282-2198, Attention: Registration Department; Wells Fargo Securities, LLC, 375 Park Avenue, New York, New York 10152, Attention:

Equity Syndicate Department; and Morgan Stanley & Co. Incorporated, 1585 Broadway, New York, NY 10036, Attention: Mohit Assomull, provided, however, that any notice to an Underwriter pursuant to Section 10(e) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by you upon request; provided, however, that notices under subsection 6(A)(e) shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the Representatives at Goldman, Sachs & Co., 200 West Street, New York, NY 10282-2198, Attention: Control Department, Wells Fargo Securities, LLC, 375 Park Avenue, New York, New York 10152, Attention: Equity Syndicate Department and Morgan Stanley & Co. Incorporated, 1585 Broadway, New York, NY 10036, Attention: Mohit Assomull; and

(ii) if to any of the Continuing Funds, the Advisor or the Administrator shall be delivered or sent by mail, telex or facsimile transmission to New Mountain Finance Corporation, 787 7th Avenue, 48th Floor, New York, NY 10019, Attention: Robert Hamwee, with a copy to Stuart Gelfond c/o Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, NY 10004.

Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including any of the Continuing Funds, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

15. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, each of the Continuing Funds, the Advisor and the Administrator and, to the extent provided in Sections 10 and 12 hereof, the officers and directors of each of the Continuing Funds and each person who controls any of the Continuing Funds or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

16. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

17. Each of the Continuing Funds, the Advisor and the Administrator hereby acknowledges and agrees that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor any of the Continuing Funds, the Advisor or the Administrator with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising any of the Continuing Funds on other matters) or any other obligation to any of the Continuing Funds, the Advisor or the Administrator except the obligations expressly set forth in this Agreement and (iv) each of the Continuing Funds, the Advisor and the Administrator has consulted its own legal and financial advisors to the extent it deemed appropriate. Each of the Continuing Funds, the Advisor and the Administrator agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to any of the Continuing Funds, the Advisor or the Administrator in connection with such transaction or the process leading thereto.

18. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Continuing Funds, the Advisor and the Administrator on the one hand and the Underwriters on the other, or any of them, with respect to the subject matter hereof.

19. **THIS AGREEMENT AND ANY MATTERS RELATED TO THIS TRANSACTION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAWS OF THE STATE OF NEW YORK.**

20. Each of the Continuing Funds, the Advisor, the Administrator and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

21. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

22. Notwithstanding anything herein to the contrary, each of the Continuing Funds is authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided toany of the Continuing Funds relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

23. Except as set forth below, no claim, counterclaim or dispute of any kind or nature whatsoever arising out of or in any way relating to this Agreement (a "Claim") may be commenced, prosecuted or continued in any court other than the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York, which courts shall have jurisdiction over the adjudication of such matters, and each of the Continuing Funds, the Advisor and the Administrator each consents to the jurisdiction of such courts and personal service with respect thereto. Each of the Continuing Funds, the Advisor and the Administrator each hereby consents to personal jurisdiction, service and venue in any court in which any Claim arising out of or in any way relating to this Agreement is brought by any third party against any Underwriter or any indemnified party. Each Underwriter and each of the Continuing Funds (each on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates), the Advisor and the Administrator (each on its behalf and, to the extent permitted by applicable law, on behalf of its members and affiliates) each waive all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) in any way arising out of or relating to this Agreement. Each of the Continuing Funds, the Advisor and the Administrator each agrees that a final judgment in any such action, proceeding or counterclaim brought in any such court shall be conclusive and binding upon each of the Continuing Funds, the Advisor and the Administrator and may be enforced in any other courts to the jurisdiction of which any of the Continuing Funds, the Advisor or the Administrator each is or may be subject, by suit upon such judgment.

If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters and each of the Continuing Funds, the Advisor and the Administrator. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to any of the Continuing Funds, the Advisor or the Administrator for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

New Mountain Finance Corporation

By: _____
Name: Robert A. Hamwee
Title: Chief Executive Officer

New Mountain Finance Holdings, L.L.C.

By: _____
Name: Robert A. Hamwee
Title: Chief Executive Officer

New Mountain Finance Advisers BDC, L.L.C.

By: _____
Name:
Title:

New Mountain Finance Administration, L.L.C.

By: _____
Name:
Title:

Accepted as of the date hereof:

Goldman, Sachs & Co.

By: _____
(Goldman, Sachs & Co.)

Wells Fargo Securities, LLC

By: _____
Name:
Title:

Morgan Stanley & Co. Incorporated

By: _____
Name:
Title:

On behalf of each of the Underwriters

SCHEDULE I

Underwriter	Total Number of of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman, Sachs & Co.		
Well Fargo Securities, LLC		
Morgan Stanley & Co. Incorporated		
Stifel, Nicolaus & Company, Incorporated		
RBC Capital Markets, LLC		
Robert W. Baird & Co. Incorporated		
BB&T Capital Markets, a division of Scott & Stringfellow, LLC		
Janney Montgomery Scott LLC		
Total		

SCHEDULE II

(a) Additional Disclosure Item:

Exhibit (j)

SAFEKEEPING AGREEMENT

Dated as of , 2011

among

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.,

WELLS FARGO SECURITIES, LLC,
as Administrative Agent,

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Safekeeping Agent,

SAFEKEEPING AGREEMENT

THIS SAFEKEEPING AGREEMENT (as amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of , 2011, by and among (a) NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., a Delaware limited liability company ("New Mountain"), (b) WELLS FARGO SECURTIES, LLC, as Administrative Agent (in such capacity and together with any successor thereto, the "Administrative Agent") under the Amended and Restated Loan and Security Agreement, dated as of , 2011, by and among, New Mountain, as the Borrower, each of the Lenders from time to time party thereto (the "Lenders"), the Administrative Agent, and the Safekeeping Agent (as defined below) (as the same may be amended, extended, restated, supplemented, modified, refinanced, refunded or replaced from time to time, the "Loan Agreement"), and (c) WELLS FARGO BANK, NATIONAL ASSOCIATION, as safekeeping agent (in such capacity and together with any successor thereto, the "Safekeeping Agent", and collectively with New Mountain and the Administrative Agent, the "Parties").

RECITALS

WHEREAS, New Mountain is a closed-end management investment company, which has elected to do business as a business development company under the 1940 Act (as defined below), and is authorized to issues shares of common stock;

WHEREAS, New Mountain has acquired assets and desires to deliver such assets, the proceeds thereof, and certain documents in connection therewith (collectively, the "Assets") to the Safekeeping Agent;

WHEREAS, New Mountain and the Administrative Agent (prior to the Payoff Date, as defined below) desire to appoint the Safekeeping Agent to hold the Assets and to direct the Safekeeping Agent with respect to the transfer and release thereof pursuant to the terms of this Agreement and, prior to the Payoff Date, the Loan Agreement;

WHEREAS, New Mountain has granted to the Administrative Agent a security interest in all the Assets of New Mountain pursuant to the terms of the Loan Agreement to secure all Obligations of New Mountain (as defined in the Loan Agreement).

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

SECTION 1.1 Construction. Unless otherwise specified, references in this Agreement to any Article or Section are references to such Article or Section of this Agreement and, unless otherwise specified, references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition.

SECTION 1.2 Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Loan Agreement. In addition to such terms defined herein, the following words shall have the meanings set forth below:

"1940 Act": The Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.

"Account": The meaning given in Section 2.2 of this Agreement.

"Applicable Law": For any Person or property of such Person, all existing and future laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances and orders by any Governmental Authority which are applicable to such Person or property (including, without limitation, predatory lending laws, usury laws, the Federal Truth in Lending Act, and Regulation Z and Regulation B of the Board of Governors of the Federal Reserve System), and applicable judgments, decrees, injunctions, writs, awards or orders of any court, arbitrator or other administrative, judicial, or quasi-judicial tribunal or agency of competent jurisdiction.

"Assets": The meaning given in the Recitals.

"Business Day": Any day (other than a Saturday or a Sunday) on which banks are not required or authorized to be closed in New York, New York, the location of the Safekeeping Agent's Corporate Trust Office.

"Cash": Cash or legal currency of the United States of America as at the time shall be legal tender for payment of all public and private debts.

"Contractual Obligation": With respect to any Person, any provision of any securities issued by such Person or any indenture, mortgage, deed of trust, contract, undertaking, agreement, instrument or other document to which such Person is a party or by which it or any of its property is bound or to which either is subject.

"Corporate Trust Office": The designated corporate trust office of the Safekeeping Agent, currently located at 9062 Old Annapolis Road, Columbia, Maryland, or such other address within the United States as the Safekeeping Agent may designate from time to time by notice to New Mountain, and prior to the Payoff Date, the Administrative Agent.

"Federal Reserve Bank Book-Entry System": A depository and securities transfer system operated by the Federal Reserve Bank of the United States.

"Governmental Authority": With respect to any Person, any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over such Person.

"Lender": Wells Fargo Bank, National Association and each financial institution which may from time to time become a Lender under the Loan Agreement by executing and delivering a Joinder Supplement to the Administrative Agent and the Borrower as contemplated by the Loan Agreement.

"Lien": Any mortgage, lien, pledge, charge, right, claim, security interest or encumbrance of any kind of or on any Person's assets or properties in favor of any other Person.

"Loan": Any commercial loan or note owned by New Mountain.

"Loan Agreement": The meaning given in the Preamble to this Agreement.

"Material Adverse Effect": With respect to any event or circumstance, a material adverse effect on (a) the business, financial condition, operations, performance or properties of New Mountain, (b) the validity, enforceability or collectability of the Loan Agreement or any other Transaction Document or the validity, enforceability of collectability of the Loans generally or any material portion of the Loans, (c) the rights and remedies of the Administrative Agent, the Lenders and the Secured Parties with respect to matters arising under this Agreement or any other Transaction Document, (d) the ability of New Mountain (or, to the extent New Mountain is no longer the Collateral Administrator, the Collateral Administrator) to perform its obligations under any Transaction Document to which it is a party, or (e) the status, existence, perfection, priority or enforceability of the Administrative Agent's or the other Secured Parties', lien on the Collateral.

"Noteless Loan": A Loan with respect to which the Underlying Instruments do not require the Obligor to execute and deliver, and the Obligor has not executed and delivered, a promissory note evidencing any indebtedness created under such Loan.

"Obligor": With respect to any Loan, any Person or Persons obligated to make payments pursuant to or with respect to such Loan, including any guarantor thereof.

"Opinion of Counsel": A written opinion of counsel, which opinion and counsel are, if delivered prior to the Payoff Date, acceptable to the Administrative Agent in its sole discretion.

"Participation": An interest in a Loan that is acquired indirectly by way of a participation from a selling institution.

"Payoff Date": The date in which the Administrative Agent delivers the Payoff Notice pursuant to Section 7.1 hereof.

"Payoff Notice": The Form of Payoff Notice attached hereto as Exhibit B.

"Person": An individual, partnership, corporation, limited liability company, joint stock company, trust (including a statutory or business trust), unincorporated association, sole proprietorship, joint venture, government (or any agency or political subdivision thereof) or other entity.

"Physical Asset" shall mean any Asset that is represented by a certificate, bond or other physical form of instrument, which certificate, bond or other physical form of instrument evidences solely such Asset. For the avoidance of doubt, an Asset that is represented by a global or other certificate, bond or other physical form of instrument held by or on behalf of the Depository Trust Company ("DTC") or its nominee or another clearing corporation or its nominee shall not constitute a Physical Asset.

"Physical Document": The meaning as established under Section 3.4(2) of this Agreement.

"Proceeds": With respect to any Asset, all property that is receivable or received when such Asset is collected, sold, liquidated, foreclosed, exchanged, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes all rights to payment with respect to any insurance relating to such Asset.

"Proper Instructions": The meaning given in Section 2.4 of this Agreement.

"Required Loan Documents":

For each Loan, the following documents or instruments:

(a) for each Loan other than a Noteless Loan, (1) a copy of the related executed promissory note or, in the case of a lost note, a copy of the executed underlying promissory note accompanied by an original executed affidavit and indemnity endorsed by New Mountain in blank (and an unbroken chain of endorsements from each prior holder of such promissory note to New Mountain), or (2) if such promissory note is not issued in the name of New Mountain, an executed copy of each assignment and assumption agreement, transfer document or instrument relating to such Loan evidencing the assignment of such Loan from any prior owner thereof directly to New Mountain and from New Mountain in blank; and

(b) to the extent applicable for the related Loan, copies of the executed (a) guaranty, (b) credit agreement, (c) loan agreement, (d) note purchase agreement, (e) sale and servicing agreement, (f) acquisition agreement (or similar agreement) and (g) security agreement; provided that to the extent that final copies of the foregoing documents are not available as of the related Funding Date, the latest available draft copies with the final copies to be delivered within ten (10) Business Days after such Funding Date.

"Securities": Collectively, the (i) investments, including Loans, acquired by New Mountain and delivered to the Safekeeping Agent by New Mountain from time to time during the term of, and pursuant to the terms of, this Agreement and (ii) all dividends in kind (e.g., non-cash dividends) from the investments described in clause (i).

"Street Delivery Custom": A custom of the United States securities market to deliver securities which are being sold to the buying broker for examination to determine that the securities are in proper form.

"Street Name": The form of registration in which the securities are held by a broker who is delivering the securities to another broker for the purposes of sale, it being an

accepted custom in the United States securities industry that a security in Street Name is in proper form for delivery to a buyer and that a security may be re-registered by a buyer in the ordinary course.

"Underlying Instrument": (i) Prior to the Payoff Date, as defined in the Loan Agreement, and (ii) on and after the Payoff Date, any loan agreement, credit agreement, indenture or other agreement pursuant to which an Asset has been issued or created and each other agreement that governs the terms of or secures the obligations represented by such Asset or of which the holders of such Asset are the beneficiaries.

"United States": The United States of America.

SECTION 1.3 Rule of Construction. In the event that New Mountain is no longer the Collateral Administrator under the Loan Agreement, each report required to be delivered by the Safekeeping Agent hereunder to the Borrower shall also be delivered to the Collateral Administrator and the Collateral Administrator will be deemed to be granted authority hereunder with respect to the Assets and the Accounts consistent with its duties under the Loan Agreement.

ARTICLE II

APPOINTMENT OF THE SAFEKEEPING AGENT; COLLATERAL ACCOUNT, INTEREST COLLECTION ACCOUNT AND PRINCIPAL COLLECTION ACCOUNT

SECTION 2.1 Each of New Mountain and the Administrative Agent (prior to the Payoff Date) hereby designate and appoint the Safekeeping Agent to act as its agent and hereby authorizes the Safekeeping Agent to take such actions on its behalf and to exercise such powers and perform such duties as are expressly granted to the Safekeeping Agent by this Agreement or, prior to the Payoff Date, the Loan Agreement. The Safekeeping Agent hereby accepts such agency appointment to hold the Assets pursuant to the terms of this Agreement and, prior to the Payoff Date, the Loan Agreement, until its resignation or removal pursuant to the terms hereof.

SECTION 2.2 Prior to the Payoff Date, the Safekeeping Agent agrees that it has established and is maintaining on its books and records, in the name of New Mountain, (i) the securities account designated as the "Collateral Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "Collateral Account"), (ii) the securities account designated as the "Principal Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the **"**Principal Collections Account"), (iii) the securities account designated as the "Interest Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "Interest Collections Account"), (iii) the securities account designated as the "Excess Future Funding Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "Excess Future Funding Account") and (iv) the securities account designated as the "Borrower Collections Account" with account number (such account, together with any replacements thereof or substitutions therefor, the "Borrower Collections Account" and,

together with the Collateral Account, the Principal Collections Accounts, and the Interest Collections Account, the "Accounts"). All Assets held in the Accounts will be individually segregated from the securities and investments of any other Person and marked so as to clearly identify them as the property of New Mountain as set forth under this Agreement.

SECTION 2.3 Prior to the Payoff Date, the Safekeeping Agent will, by book-entry notation, promptly credit to the applicable Account all property to be credited thereto pursuant to the Loan Agreement. Prior to the Payoff Date, subject to the Securities Account Control Agreement, Assets thereof shall be withdrawn from the Accounts only upon Proper Instructions pursuant to Section 2.4 hereof. On and after the Payoff Date, THE SAFEKEEPING AGENT will, by book-entry notation, promptly credit to the applicable Account all property to be credited thereto pursuant to the terms hereof or pursuant to Proper Instructions.

SECTION 2.4 Proper Instructions.

The Safekeeping Agent shall hold the Assets in safekeeping and, subject to the terms hereof, and prior to the Payoff Date, the Securities Account Control Agreement, and shall release and transfer Assets only in accordance with Proper Instructions. "Proper Instructions" shall mean signed written instructions or cabled, telexed, facsimile or electronically transmitted instructions in respect of any of the matters referred to in this Agreement purported to be signed (except in the case of electronically transmitted instructions) by two or more persons duly authorized to sign on behalf of New Mountain and, in the case of electronically transmitted instructions, in accordance with such authentication procedures as may be agreed by the Safekeeping Agent and New Mountain from time to time.

ARTICLE III

SAFEKEEPING OF ASSETS

SECTION 3.1 Segregation. All Assets and non-cash property held by the Safekeeping Agent, as applicable, for the account of New Mountain shall be physically segregated from other Assets and non-cash property in the possession of the Safekeeping Agent (including the Assets and non-cash property of the other series of New Mountain, if applicable) and marked so as to clearly identify them as property of New Mountain.

SECTION 3.2 Delivery of Assets. Prior to the Payoff Date, New Mountain shall deliver each item of Collateral to the Safekeeping Agent in accordance with the Loan Agreement. On and after the Payoff Date, New Mountain shall deliver, or cause to be delivered, to the Safekeeping Agent all of New Mountain's securities, cash and other investment assets, including:

(a) all payments of income, payments of principal and capital distributions received by New Mountain with respect to such Securities, cash or other assets owned by New Mountain at any time during the period of this Agreement, and (b) all cash received by New Mountain for the issuance, at any time during such period, of Shares or other securities or in connection with a borrowing by New Mountain. With respect to Loans, Required Loan Documents and other underlying loan documents shall be delivered to the Safekeeping Agent at the address identified for the Safekeeping Agent. With respect to Assets other than Loans, such

Assets shall be delivered to the Safekeeping Agent (where relevant) at the address identified for the Safekeeping Agent. Except to the extent otherwise expressly provided herein, delivery of Securities to the Safekeeping Agent shall be in Street Name or other good delivery form. The Safekeeping Agent shall not be responsible for such Securities, cash or other assets until actually delivered to, and received by it.

(b) (i) In connection with its acquisition of a Loan or other delivery of a security constituting a Loan, New Mountain shall deliver or cause to be delivered the Required Loan Documents to the Safekeeping Agent at the address identified for the Safekeeping Agent. The Safekeeping Agent shall not be responsible for such Required Loan Documents until actually delivered to, and received by it.

(ii) Notwithstanding anything herein to the contrary, delivery of securities acquired by New Mountain which constitute Noteless Loans or Participations or which are otherwise not evidenced by a "security" or "instrument" as defined in Section 8-102 and Section 9-102(a)(47) of the UCC, respectively, shall be made by delivery to the Safekeeping Agent of (i) in the case of a Noteless Loan, a copy of the loan register with respect to such Noteless Loan evidencing registration of such Loan on the books and records of the applicable obligor or bank agent to the name of New Mountain (or its nominee) and or a copy (which may be a facsimile copy) of an assignment agreement in favor of New Mountain as assignee, and (ii) in the case of a Participation, a copy of the related participation agreement.

(iii) Contemporaneously with the acquisition of any Loan, New Mountain shall (i) cause the Required Loan Documents evidencing such Loan to be delivered to the Safekeeping Agent; (ii) take all actions necessary for New Mountain to acquire good title to such Loan; and (iii) take all actions as may be necessary (including appropriate payment notices and instructions to bank agents or other applicable paying agents) to cause (A) all payments in respect of the Loan to be made to the Safekeeping Agent and (B) all notices, solicitations and other communications in respect of such Loan to be directed to New Mountain.

(c) In connection with each delivery of Physical Documents hereunder to the Safekeeping Agent, New Mountain shall provide to the Safekeeping Agent an electronic file (in EXCEL or a comparable format acceptable to the Safekeeping Agent) that contains a list of all Physical Documents and whether they require original signatures. If, at the conclusion of the review per Section 3.3, the Safekeeping Agent shall determine that any Physical Document has not been delivered, the Safekeeping Agent shall notify New Mountain. The Safekeeping Agent shall not have any responsibility for reviewing the genuineness of any Underlying Instruments delivered to it by New Mountain.

SECTION 3.3 Obligations with respect to Assets and Required Loan Documents Prior to the Payoff Date. (a) Prior to the Payoff Date, the Safekeeping Agent shall perform the following duties with respect to any Underlying Instruments and Required Loan Documents:

(i) The Safekeeping Agent shall take and retain the Required Loan Documents delivered by New Mountain pursuant to the definition of "Eligible Loans" in the Loan Agreement in accordance with the terms and conditions of this Agreement and the Loan

Agreement, all for the benefit of the Secured Parties and subject to the Lien thereon in favor of the Administrative Agent, as agent for the Secured Parties. Within five (5) Business Days of its receipt of any Underlying Instruments, the Safekeeping Agent shall review the Required Loan Documents delivered to it to confirm that (A) if the files delivered per the following sentence indicate that any document must contain an original signature, each such document appears to bear the original signature, or if the file indicates that such document must contain a copy of a signature, that such copies appear to bear a reproduction of such signature and (B) based on a review of the applicable note, the related original Loan balance, Loan identification number and Obligor name with respect to such Loan is referenced on the related Loan List and is not a duplicate Loan (such items (A) through (B) collectively, the "Review Criteria"). In order to facilitate the foregoing review by the Safekeeping Agent, in connection with each delivery of Underlying Instruments hereunder to the Safekeeping Agent, New Mountain shall provide to the Safekeeping Agent an electronic file (in EXCEL or a comparable format acceptable to the Safekeeping Agent) that contains a list of all Required Loan Documents and whether they require original signatures, the Loan identification number and the name of the Obligor and the original Loan balance with respect to each related Loan. If, at the conclusion of such review, the Safekeeping Agent shall determine that (1) the original Loan balances of the Loans with respect to which it has received Underlying Instruments is less than as set forth on the electronic file, the Safekeeping Agent shall immediately notify the Administrative Agent and New Mountain of such discrepancy, and (2) any Review Criteria is not satisfied, the Safekeeping Agent shall within one (1) Business Day notify New Mountain of such determination and provide New Mountain with a list of the non-complying Loans and the applicable Review Criteria that they fail to satisfy. New Mountain shall have ten (10) Business Days to correct any non-compliance with any Review Criteria. If after the conclusion of such time period New Mountain has still not cured any non-compliance by a Loan with any Review Criteria, the Safekeeping Agent shall promptly notify New Mountain and the Administrative Agent of such determination by providing a written report to such persons identifying, with particularity, each Loan and each of the applicable Review Criteria that such Loan fails to satisfy. In addition, if requested in writing in the form of Exhibit A by New Mountain and approved by the Administrative Agent within ten (10) Business Days of the Safekeeping Agent's delivery of such report, the Safekeeping Agent shall return the Underlying Instruments for any Loan which fails to satisfy a Review Criteria to New Mountain. Other than the foregoing, the Safekeeping Agent shall not have any responsibility for reviewing any Underlying Instruments.

(ii) In taking and retaining the Underlying Instruments, the Safekeeping Agent shall be deemed to be acting as the agent of the Secured Parties; *provided* that the Safekeeping Agent makes no representations as to the existence, perfection or priority of any Lien on the Underlying Instruments or the instruments therein; and *provided further* that the Safekeeping Agent's duties as agent shall be limited to those expressly contemplated herein.

(iii) All Underlying Instruments that are originals or copies shall be kept in fire resistant vaults, rooms or cabinets at the Corporate Trust Office. All Underlying Instruments that are originals or copies shall be placed together with an appropriate identifying label and maintained in such a manner so as to permit retrieval and access. All Underlying Instruments that are originals or copies shall be clearly segregated from any other documents or instruments maintained by the Safekeeping Agent. All Underlying Instruments that are delivered to the Safekeeping Agent in electronic format shall be saved onto disks and/or onto the Safekeeping

Agent's secure computer system, and maintained in a manner so as to permit retrieval and access.

(iv) The Safekeeping Agent shall make payments in accordance with Section 2.7 and Section 2.8 of the Loan Agreement (the "Payment Duties"). In addition, on each Reporting Date, the Safekeeping Agent shall provide a written report to the Administrative Agent and New Mountain (in a form acceptable to the Administrative Agent) identifying each Loan for which it holds Underlying Instruments, the non-complying Loans and the applicable Review Criteria that any non-complying Loan fails to satisfy.

(v) The Safekeeping Agent shall, promptly upon its actual receipt of a Borrowing Base Certificate from New Mountain, calculate the Borrowing Base and, if the Safekeeping Agent's calculation does not correspond with the calculation provided by New Mountain on such Borrowing Base Certificate, deliver such calculation to each of the Administrative Agent, and New Mountain within one (1) day of receipt by the Safekeeping Agent of such Borrowing Base Certificate. In performing its duties, (A) the Safekeeping Agent shall use a similar degree of care and attention as it employs with respect to similar collateral that it holds for others and (B) all calculations made by the Safekeeping Agent pursuant to this Agreement or the Loan Agreement using Super Senior Indebtedness, Advance Rate, EBITDA and Unrestricted Cash of any Obligor (or, with respect to Advance Rate, Loan) shall be made using such amounts as provided by New Mountain to the Safekeeping Agent.

SECTION 3.4 Obligations with respect to Assets and Required Loan Documents on and after the Payoff Date.

(a) On and after the Payoff Date, the Safekeeping Agent shall perform the following duties with respect to the Assets:

(1) With respect to each Asset that is not a Physical Asset, such Asset shall be credited by the Safekeeping Agent to the Collateral Account.

(2) With respect to any Physical Assets and Underlying Instruments (collectively, the "Physical Documents"):

(i) The Safekeeping Agent shall take and retain any Physical Assets and the Required Loan Documents delivered by New Mountain. Within five (5) Business Days of its receipt of any Underlying Instruments, the Safekeeping Agent shall review the Physical Documents delivered to it to confirm receipt of such document and, if the files delivered per the following sentence indicate that any document must contain an original signature, each such document appears to bear the original signature, or if the file indicates that such document must contain a copy of a signature, that such copies appear to bear a reproduction of such signature. In connection with each delivery of Physical Documents hereunder to the Safekeeping Agent, New Mountain shall provide to the Safekeeping Agent an electronic file (in EXCEL or a comparable format acceptable to the Safekeeping Agent) that contains a list of all Physical Documents and whether they require original signatures. If, at the conclusion of such review, the Safekeeping Agent shall determine that any Physical Document has not been delivered, the Safekeeping Agent shall notify New Mountain. The Safekeeping Agent shall not have any responsibility for

reviewing any Underlying Instruments. All Physical Documents that are originals or copies shall be kept in fire resistant vaults, rooms or cabinets at the Corporate Trust Office and shall be placed together with an appropriate identifying label and maintained in such a manner so as to permit retrieval and access. All Physical Documents that are originals or copies shall be clearly segregated from any other documents or instruments maintained by the Safekeeping Agent. All Underlying Instruments that are delivered to the Safekeeping Agent in electronic format shall be saved onto disks and/or onto the Safekeeping Agent's secure computer system, and maintained in a manner so as to permit retrieval and access.

SECTION 3.5 Release of Documents Prior to the Payoff Date.

(a) Release for Servicing. Prior to the Payoff Date, as appropriate for the enforcement or servicing of any of the Collateral, the Safekeeping Agent is hereby authorized (unless and until such authorization is revoked by the Administrative Agent), upon written receipt from New Mountain of a request for release of documents and receipt in the form annexed hereto as Exhibit A, to release to New Mountain within two (2) Business Days of receipt of such request, the related Underlying Instruments or the documents set forth in such request and receipt to New Mountain. All documents so released to New Mountain shall be held by New Mountain in trust for the benefit of the Administrative Agent in accordance with the terms of this Agreement and the Loan Agreement. New Mountain shall return to the Safekeeping Agent the Underlying Instruments or other such documents (i) promptly upon the request of the Administrative Agent, or (ii) when New Mountain's need therefor in connection with such enforcement or servicing no longer exists, unless the Loan shall be liquidated or sold, in which case, upon receipt of an additional request for release of documents and receipt certifying such liquidation or sale from New Mountain to the Safekeeping Agent in the form annexed hereto as Exhibit A, New Mountain's request and receipt submitted pursuant to the first sentence of this subsection shall be released by the Safekeeping Agent to New Mountain.

(b) Release for Payment. Prior to the Payoff Date, upon receipt by the Safekeeping Agent of New Mountain's request for release of documents and receipt in the form annexed hereto as Exhibit A (which certification shall include a statement to the effect that all amounts received in connection with such payment or repurchase have been credited to the Collection Account as provided in this Agreement), the Safekeeping Agent shall promptly release the related Underlying Instruments to New Mountain.

SECTION 3.6 Release of Documents and Assets on and after the Payoff Date. On and after the Payoff Date, upon receipt by the Safekeeping Agent of Proper Instructions, the Safekeeping Agent shall promptly release any Physical Documents or Assets held by the Safekeeping Agent in accordance with such Proper Instructions.

SECTION 3.7 Return of Underlying Instruments Prior to the Payoff Date.

Prior to the Payoff Date, New Mountain may, with the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld), require that the Safekeeping Agent return each Required Loan Document (as applicable), respectively (a) delivered to the Safekeeping Agent in error, (b) as to which the lien on the Underlying Asset has been so released pursuant to Section 8.2 of the Loan Agreement, or (c) that has been the subject

of a Discretionary Sale pursuant to Section 2.15 of the Loan Agreement, in each case by submitting to the Safekeeping Agent and the Administrative Agent a written request in the form of Exhibit A hereto (signed by both New Mountain and the Administrative Agent) specifying the Asset to be so returned and reciting that the conditions to such release have been met (and specifying the Section or Sections of this Agreement and the Loan Agreement being relied upon for such release). the Safekeeping Agent shall upon its receipt of each such request for return executed by New Mountain and the Administrative Agent promptly, but in any event within five (5) Business Days, return the Underlying Instruments so requested to New Mountain.

SECTION 3.8 Access to Certain Documentation and Information Regarding the Assets; Audits. (a) Prior to the Payoff Date, New Mountain and the Safekeeping Agent shall provide to the Administrative Agent access to the Underlying Instruments and all other documentation regarding the Assets including in such cases where the Administrative Agent is required in connection with the enforcement of the rights or interests of the Secured Parties, or by applicable statutes or regulations, to review such documentation, such access being afforded without charge but only (i) upon two (2) Business Days' prior written request, (ii) during normal business hours and (iii) subject to New Mountain's and the Safekeeping Agent's normal security and confidentiality procedures. Periodically at the discretion of the Administrative Agent, the Administrative Agent may review New Mountain's collection and administration of the Collateral in order to assess compliance by New Mountain with Article VI of the Loan Agreement and may conduct an audit of the Collateral, and Underlying Instruments in conjunction with such a review. Such review shall be reasonable in scope and shall be completed in a reasonable period of time. Without limiting the foregoing provisions of this Section 3.8, from time to time (not to exceed one (1) time per fiscal quarter) on request of the Administrative Agent, the Safekeeping Agent shall permit certified public accountants or other independent auditors acceptable to the Administrative Agent to conduct, at New Mountain's expense, a review of the Underlying Instruments and all other documentation regarding the Collateral.

(b) On or after the Payoff Date, upon reasonable request by New Mountain, New Mountain, and employees and agents of the Securities and Exchange Commission shall have reasonable access to the Safekeeping Agent's books and records relating to the Accounts and Assets during the Safekeeping Agent's normal business hours and upon reasonable advance request, at New Mountain's expense. Any such access granted to the employees and agents of the Securities and Exchange Commission shall not require a subpoena, but shall only be granted after the Safekeeping Agent has given prior notice to, and obtained written consent from, New Mountain.

(c) Both prior to the Payoff Date and on and after the Payoff Date, on request of New Mountain, or an independent public accountant appointed by New Mountain, the Safekeeping Agent shall permit such independent public accountant to conduct, at New Mountain's expense, an examination to verify the Assets are held in safekeeping. Such examination shall occur at least three (3) times per fiscal year, at least two (2) of which are to be chosen by such independent public accountant without prior notice to New Mountain.

SECTION 3.9 Cash Invested as Eligible Investments. (a) Prior to the Payoff Date, all Cash in the Accounts at the end of a Business Day will be invested in Permitted

Investments selected by New Mountain on each Payment Date (or pursuant to standing instructions provided by New Mountain);*provided* that, from and after the occurrence of an Event of Default, to the extent there are uninvested amounts in the Accounts, all such amounts may be invested in Permitted Investments selected by the Administrative Agent (which may be pursuant to standing instructions provided by the Administrative Agent).

(b) On and after the Payoff Date, the Safekeeping Agent shall not invest immediately available funds held hereunder in the absence of Proper Instructions New Mountain and shall not be liable for not investing or reinvesting funds in accordance with this Agreement in the absence of such Proper Instructions. It is expressly agreed and understood that the Safekeeping Agent shall not in any way whatsoever be liable for losses on any investments, including, but not limited to, losses from market risks due to premature liquidation or resulting from other actions taken pursuant to Proper Instructions.

SECTION 3.10 Proxy Voting Services. (a) If requested by New Mountain, the Safekeeping Agent shall promptly forward New Mountain's decision on any proxy solicitation or request for vote or other consent or solicitation relating to any Security to the appropriate third party seeking a decision on such matters.

(b) The Safekeeping Agent shall endeavor to promptly notify New Mountain of such rights or discretionary actions or of the date or dates by when such rights must be exercised or such action must be taken, provided that the Safekeeping Agent has received, from the issuer (with respect to securities issued in the United States) or from one of the nationally or internationally recognized bond or corporate action services to which the Safekeeping Agent subscribes, timely notice of such rights or discretionary corporate action or of the date or dates such rights must be exercised or such action must be taken.

SECTION 3.11 Communications Relating to Securities. (a) The Safekeeping Agent shall transmit promptly to New Mountain, and prior to the Payoff Date, the Administrative Agent, all written information (including pendency of calls and maturities of securities and expirations of rights in connection therewith) received by the Safekeeping Agent, from its agents or from issuers of the securities being held for New Mountain. The Safekeeping Agent shall have no obligation or duty to exercise any right or power, or otherwise to preserve rights, in or under any securities unless and except to the extent it has received timely Proper Instruction from New Mountain in accordance with the next sentence. The Safekeeping Agent will not be liable for any untimely exercise of any right or power in connection with securities at any time held by the Safekeeping Agent, unless: (i) the Safekeeping Agent has received Proper Instructions with regard to the exercise of any such right or power; and (ii) the Safekeeping Agent, or its agents are in actual possession of such securities, in each case, at least three (3) Business Days prior to the date on which such right or power is to be exercised. It will be the responsibility of New Mountain to notify the Safekeeping Agent of the Person to whom such communications must be forwarded under this Section 3.11.

SECTION 3.12 Collection of Income. The Safekeeping Agent or its agents shall use reasonable efforts to collect on a timely basis all income and other payments with respect to the Assets held hereunder to which New Mountain shall be entitled, to the extent

consistent with usual custom in the securities custodian business in the United States. Such efforts shall include collection of interest income, dividends and other payments with respect to registered domestic Securities if on the record date with respect to the date of payment by the issuer the Security is registered in the name of the Safekeeping Agent or its nominee (or in the name of its agent); and interest income, dividends and other payments with respect to bearer domestic securities if, on the date of payment by the issuer such Securities are held by the Safekeeping Agent or agent; provided, however, that in the case of securities held in Street Name, the Safekeeping Agent shall use commercially reasonable efforts only to timely collect income. In no event shall the Safekeeping Agent's agreement herein to collect income be construed to obligate the Safekeeping Agent to commence, undertake or prosecute any legal proceedings.

SECTION 3.13 Notations of Deposits, Withdrawals and Delivery. Any Person acting on behalf of New Mountain (other than, prior to the Payoff Date, the Administrative Agent) when depositing Assets in or withdrawing Assets from the safekeeping of the Safekeeping Agent, or when ordering the withdrawal and delivery of such Assets from the safekeeping of the Safekeeping Agent, shall sign a notation in respect of such deposit, withdrawal or order which shall show (1) the date and time of the deposit withdrawal or order, (2) the title and amount of the Assets deposited, withdrawn or ordered to be withdrawn, and an identification thereof by certificate numbers or otherwise, (3) the manner of acquisition of the Assets deposited or the purpose for which they have been withdrawn, or ordered to be withdrawn, and (4) if withdrawn and delivered to another person, the name of such person. Such notation shall be transmitted promptly to an officer or director of New Mountain designated by its board of directors who shall not be a person authorized to issue Proper Instructions. Such notations shall be on serially numbered forms and shall be preserved for at least one (1) year by New Mountain.

SECTION 3.14 Books and Records. The Safekeeping Agent shall create and maintain complete and accurate books and records relating to its activities under this Agreement with respect to the Assets or other property held for New Mountain under this Agreement. To the extent that the Safekeeping Agent, in its sole discretion, is able to do so, the Safekeeping Agent may provide assistance to New Mountain (at New Mountain's reasonable request made from time to time) by providing sub-certifications regarding certain of its services performed hereunder to New Mountain in connection with New Mountain's certification requirements pursuant to the Sarbanes-Oxley Act of 2002, as amended. All such books and records shall be the property of New Mountain. Upon reasonable request, copies of any such books and records shall be provided to New Mountain, or prior to the Payoff Date, the Administrative Agent, at its expense. The Safekeeping Agent shall, at New Mountain's request, supply New Mountain with a tabulation of securities owned by New Mountain and held by the Safekeeping Agent and shall, when requested to do so by New Mountain and for such compensation as shall be agreed upon between New Mountain and the Safekeeping Agent, include, to the extent applicable, the certificate numbers in such tabulations, to the extent such information is available to the Safekeeping Agent.

SECTION 3.15 Reporting. (a) If requested by New Mountain, the Safekeeping Agent shall render to New Mountain (and, prior to the Payoff Date, with a copy to the Administrative Agent) a monthly report of (i) all deposits to and withdrawals from the Accounts

during the month, and the outstanding balance (as of the last day of the preceding monthly report and as of the last day of the subject month) and (ii) an itemized statement of the Assets held pursuant to this Agreement as of the end of each month, as well as a list of all securities transactions that remain unsettled at that time, and (iii) such other matters as the parties may agree from time to time.

(b) For each Business Day, the Safekeeping Agent shall render to New Mountain (and, prior to the Payoff Date, with a copy to the Administrative Agent) a daily report of (i) all deposits to and withdrawals from the Accounts for such Business Day and the outstanding balance as of the end of such Business Day, and (ii) a report of settled trades of Securities for such Business Day.

(c) The Safekeeping Agent shall have no duty or obligation to undertake any market valuation of the Assets under any circumstance.

(d) The Safekeeping Agent shall provide New Mountain (and, prior to the Payoff Date, with a copy to the Administrative Agent) with such reports as are reasonably available to it and as New Mountain may reasonably request from time to time, on the internal accounting controls and procedures for safeguarding securities,

which are employed by the Safekeeping Agent.

SECTION 3.16 Tax Matters. (a) New Mountain shall provide to the Safekeeping Agent such documentation and information as the Safekeeping Agent may require or reasonably request in connection with taxation, and each of them warrants that, when given, this information shall be true and correct in all material respects, not materially misleading in any way, and contain all material information. New Mountain undertakes to notify the Safekeeping Agent promptly if any such information requires updating or amendment.

(b) The Safekeeping Agent shall not be liable to New Mountain or any third party for any taxes, fines or penalties payable by the Safekeeping Agent or New Mountain, and shall be indemnified accordingly, whether these result from the inaccurate completion of documents by New Mountain or any third party, or as a result of the provision to the Safekeeping Agent or any third party of inaccurate or misleading information or the withholding of material information by New Mountain or any third party, or as a result of any delay of any revenue authority or any other matter beyond the Safekeeping Agent's control.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 5.1 Representations and Warranties of New Mountain.

New Mountain represents and warrants as follows:

(a) Organization and Good Standing. New Mountain has been duly organized, and is validly existing as a limited liability company in good standing, under the laws of the State of Delaware, with all requisite limited liability company power and authority to own or lease its properties and conduct its business as such business is presently conducted, and had

at all relevant times, and now has all necessary power, authority and legal right to acquire, own and sell the Assets.

(b) Due Qualification. New Mountain is (i) duly qualified to do business and is in good standing as a limited liability company in its jurisdiction of formation, and (ii) has obtained all necessary qualifications, licenses and approvals, in all jurisdictions in which the ownership or lease of property or the conduct of its business requires such qualifications, licenses or approvals, except where the failure to be so qualified or to have obtained such licenses or approvals could not reasonably be expected to have a Material Adverse Effect.

(c) Power and Authority; Due Authorization; Execution and Delivery. New Mountain (i) has all necessary limited liability company power, authority and legal right to (a) execute and deliver each Transaction Document to which it is a party, and (b) carry out the terms of the Transaction Documents to which it is a party, and (ii) has duly authorized by all necessary limited liability company action, the execution, delivery and performance of each Transaction Document to which it is a party and the transfer and assignment of an ownership and security interest in the Collateral on the terms and conditions herein provided. This Agreement and each other Transaction Document to which New Mountain is a party have been duly executed and delivered by New Mountain.

(d) Binding Obligation. Each Transaction Document to which New Mountain is a party constitutes a legal, valid and binding obligation of New Mountain enforceable against New Mountain in accordance with its respective terms, except as such enforceability may be limited by Insolvency Laws and by general principles of equity (whether considered in a suit at law or in equity).

(e) No Violation. The consummation of the transactions contemplated by each Transaction Document to which it is a party and the fulfillment of the terms thereof will not (i) in any material respect conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, New Mountain's certificate of formation, the limited liability company agreement or any Contractual Obligation of New Mountain, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of New Mountain's properties pursuant to the terms of any such Contractual Obligation, other than the Loan Agreement, or (iii) violate any Applicable Law in any material respect.

SECTION 5.2 Representations and Warranties of the Safekeeping Agent.

THE SAFEKEEPING AGENT represents and warrants as follows:

(a) Organization; Power and Authority. It is a duly organized and validly existing national banking association in good standing under the laws of the United States. It has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Agreement and the Loan Agreement.

(b) Due Authorization. The execution and delivery of this Agreement and the Loan Agreement and the consummation of the transactions provided for herein and therein have been duly authorized by all necessary association action on its part.

(c) No Conflict. The execution and delivery of this Agreement and the Loan Agreement, the performance of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with, result in any breach of its articles of incorporation or bylaws or any of the material terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under any indenture, contract, agreement, mortgage, deed of trust, or other instrument to which the Safekeeping Agent is a party or by which it or any of its property is bound.

(d) No Violation. The execution and delivery of this Agreement and the Loan Agreement, the performance of the Transactions contemplated hereby and thereby and the fulfillment of the terms hereof will not conflict with or violate, in any material respect, any Applicable Law as to the Safekeeping Agent.

(e) All Consents Required. All approvals, authorizations, consents, orders or other actions of any Person or Governmental Authority applicable to the Safekeeping Agent, required in connection with the execution and delivery of this Agreement and the Loan Agreement, the performance by the Safekeeping Agent of the transactions contemplated hereby and thereby and the fulfillment by the Safekeeping Agent of the terms hereof and thereof have been obtained.

(f) Validity, Etc. Each of this Agreement and the Loan Agreement constitutes the legal, valid and binding obligation of the Safekeeping Agent, enforceable against the Safekeeping Agent in accordance with its terms, except as such enforceability may be limited by applicable Insolvency Laws and general principles of equity (whether considered in a suit at law or in equity).

(g) Business Continuity Policies. It maintains business continuity policies and standards that include data file back-up and recovery procedures that comply with all applicable regulatory requirements.

ARTICLE V

CONCERNING THE SAFEKEEPING AGENT

SECTION 5.1 Duty of Care. (a) The Safekeeping Agent may conclusively rely on and shall be fully protected in acting upon any certificate, instrument, opinion, notice, letter, telegram or other document delivered to it and that in good faith it reasonably believes to be genuine and that has been signed by the proper party or parties. Prior to the Payoff Date, the Safekeeping Agent may rely conclusively on and shall be fully protected in acting upon (a) the written instructions of any designated officer of the Administrative Agent or (b) the verbal instructions of the Administrative Agent. On and after the Payoff Date, the Safekeeping Agent may rely conclusively on and shall be fully protected in acting upon Proper Instructions.

(b) The Safekeeping Agent may consult counsel satisfactory to it and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(c) The Safekeeping Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it, in good faith, or for any mistakes of fact or law, or for anything that it may do or refrain from doing in connection herewith except, notwithstanding anything to the contrary contained herein, in the case of its willful misconduct, bad faith or grossly negligent performance or omission of its duties and in the case of its grossly negligent performance of its duties in taking and retaining the Underlying Instruments and, prior to the Payoff Date, in the case of its grossly negligent performance of its Payment Duties.

(d) The Safekeeping Agent makes no warranty or representation and shall have no responsibility (except as expressly set forth in this Agreement and the Loan Agreement) as to the content, enforceability, completeness, validity, sufficiency, value, genuineness, ownership or transferability of the Assets, and will not be required to and will not make any representations as to the validity or value (except as expressly set forth in this Agreement and the Loan Agreement) of any of the Assets. The Safekeeping Agent shall not be obligated to take any legal action hereunder that might in its judgment involve any expense or liability unless it has been furnished with an indemnity reasonably satisfactory to it.

(e) The Safekeeping Agent shall have no duties or responsibilities except such duties and responsibilities as are specifically set forth in this Agreement and the Loan Agreement and no covenants or obligations shall be implied in this Agreement or the Loan Agreement against the Safekeeping Agent.

(f) The Safekeeping Agent shall not be required to expend or risk its own funds in the performance of its duties hereunder or under the Loan Agreement.

(g) It is expressly agreed and acknowledged that the Safekeeping Agent is not guaranteeing performance of or assuming any liability for the obligations of the other parties hereto or any parties to the Assets.

SECTION 5.2 Indemnification of the Safekeeping Agent; Costs and Expenses. (a) New Mountain hereby agrees to indemnify the Safekeeping Agent and hold the Safekeeping Agent, its agents and attorneys harmless from and against any and all costs, expenses, damages, liabilities and claims (including, without limitation, reasonable attorneys' fees and accountants' fees), sustained or incurred by or asserted against the Safekeeping Agent by reason of or as a result of any action or inaction, or arising out of the Safekeeping Agent's performance hereunder, including, without limitation, reasonable fees and expenses of counsel incurred by the Safekeeping Agent in a successful defense of claims by any one or more of the Safekeeping Agent; provided, that New Mountain shall not have any obligation hereunder to indemnify the Safekeeping Agent for those costs, expenses, damages, liabilities or claims to the extent they arise out of the Safekeeping Agent's bad faith, reckless disregard, willful misconduct or gross negligence. This indemnity shall be a continuing obligation of New Mountain and its respective successors and assigns, notwithstanding the termination of this Agreement or the resignation or replacement of the Safekeeping Agent.

(b) New Mountain agrees to pay to the Safekeeping Agent the fees set forth in the Fee Schedule, or as may be agreed upon from time to time by the Safekeeping Agent and New Mountain, and, prior to the Payoff Date, the Administrative Agent. The Safekeeping Agent's

entitlement to receive such fees shall cease upon its removal or resignation as Safekeeping Agent pursuant to Section 7.1 of this Agreement. New Mountain agrees to reimburse the Safekeeping Agent for all costs associated with the conversion of Collateral and the transfer of Assets and records kept in connection with this Agreement. New Mountain agrees to reimburse the Safekeeping Agent for all actual and reasonable out-of-pocket expenses (including, without limitation, reasonable attorney's fees and expenses) incurred in the administration of this Agreement or performance of its duties hereunder, including those which are a normal incident of the services provided hereunder.

(c) Prior to the Payoff Date, all fees, expenses, and indemnities payable pursuant to this Section 5.2 shall be payable pursuant to the priorities set forth in Section 2.7 and 2.8 of the Loan Agreement.

SECTION 5.3 Force Majeure. The Safekeeping Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes, fires; floods, wars, civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of external utilities or external communications service; acts of civil or military authority; and governmental actions. The Safekeeping Agent shall endeavor to provide notice to New Mountain and the Administrative Agent of the occurrence of any such circumstances as soon as reasonably practicable thereafter.

ARTICLE VI

MISCELLANEOUS

SECTION 6.1 Delivery of Certificate of Payoff Notice. Immediately upon the payment of all Obligations (other than any contingent obligations in respect of which no claim for reimbursement has been made) of New Mountain pursuant to the Loan Agreement, and termination of the Loan Agreement, the Administrative Agent shall deliver a Payoff Notice to the Safekeeping Agent in the form attached hereto as Exhibit B. Following the receipt of a Payoff Notice, the Safekeeping Agent shall continue to hold the Assets pursuant to the terms of this Agreement and, with respect to the transfer and release of any Assets or any other matter referred to in this Agreement regarding the Assets or Accounts, the Safekeeping Agent shall comply with Proper Instructions.

SECTION 6.2 Notices. All demands, notices, requests, instructions and communications upon or to or upon any party hereto shall be in writing, either by letter (delivered by hand or sent by certified mail, return receipt requested), facsimile, telegram or e-mail addressed as set forth below. Any demand, notice, request, instruction or communication shall be deemed to have been duly given to the intended recipient upon receipt at the respective addresses listed below, or at such other address as shall be designated by such person in a written notice to the other parties to this Agreement.

If to the Safekeeping Agent,

For notices

Wells Fargo Bank, N.A.
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services—New Mountain Capital
Fax: (410) 715-3748
Phone(410) 884-2000

For delivering physical securities:

Wells Fargo Bank, N.A.
1055 10th Avenue S.E.
Minneapolis, MN 55414
Attention: ABS Custody Vault
Tel: (612) 667-8058
Fax: (612) 667-1080

If to the Administrative Agent,

One Wachovia Center, NC0600
Charlotte, NC 28288
Attention: Mary Katherine DuBose
Facsimile: (704) 715-0067
Confirmation: (704) 383-0906
All electronic dissemination of Notices should be sent to
scp.mmloans@wachovia.com

If to New Mountain,

787 Seventh Avenue, 49th Floor
New York, NY 10019
Attention: Rob Hamwee, John Kline and Josh Greenberg
Fax: (212) 720-0351

SECTION 6.3 No Waiver; Cumulative Remedies. Each and every right granted to any party hereunder or under any other document delivered hereunder or in connection herewith, or allowed it by law or equity, shall be cumulative and may be exercised from time to time. No failure on the part of any party to exercise, and no delay in exercising, any right will operate as a waiver thereof, nor will any single or partial exercise by either party of any right preclude any other or future exercise thereof or the exercise of any other right.

SECTION 6.4 Severability of Provisions. In case any provision or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, to the extent

permitted by Applicable Law the validity, legality and enforceability of the remaining provisions shall not in any way be affected thereby.

SECTION 6.5 Amendments. This Agreement may not be amended or modified in any manner except by a written agreement executed by the Safekeeping Agent and New Mountain, and prior to the Payoff Date, the Administrative Agent.

SECTION 6.6 Successor and Assigns. This Agreement shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns. Neither party shall be permitted to assign their rights under this Agreement without the written consent of the other party; provided, however, that the foregoing shall not limit the ability of the Safekeeping Agent to delegate certain duties or services to or perform them through agents or attorneys appointed with due care as expressly provided in this Agreement. Any Person into which the Safekeeping Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Safekeeping Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Safekeeping Agent, shall be the successor of the Safekeeping Agent hereunder, and shall be bound by the provisions hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto and without the consent of any other party hereto.

SECTION 6.7 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

SECTION 6.8 1940 Act Compliance. No action taken under this Agreement or the Loan Agreement, shall be in violation of the 1940 Act.

SECTION 6.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

SECTION 6.10 Table of Contents Headings. The Table of Contents, Cross-Reference Table, and headings of the Articles and Sections of this Agreement have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

ARTICLE VII

TERMINATION

SECTION 7.1 Removal and Resignation. (a) At any time prior to the Payoff Date, the Safekeeping Agent may be removed, with or without cause, by the Administrative Agent by notice given in writing to the Safekeeping Agent (the "Termination Notice"); *provided* that notwithstanding its receipt of a Termination Notice, the Safekeeping Agent shall continue to act in such capacity until a successor has been appointed, has agreed to act as safekeeping agent hereunder and under the Loan Agreement, and has received all Collateral and Underlying

Instruments held by the Safekeeping Agent. At any time on and after the Payoff Date, the Safekeeping Agent may be removed, with or without cause, by New Mountain upon sixty (60) days prior written notice to the Safekeeping Agent.

(b) At any time, the Safekeeping Agent may terminate this Agreement upon (a)(i) prior to the Payoff Date, ninety (90) days or (ii) thereafter, sixty (60) days written notice to the other Parties hereto, or (b) the Safekeeping Agent determination that (i) the performance of its duties hereunder is or becomes impermissible under Applicable Law and (ii) there is no reasonable action that the Safekeeping Agent could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the termination of this Agreement by the Safekeeping Agent without giving sixty (60) or ninety (90) days notice, as applicable, shall be evidenced as to clause (b)(i) above by an Opinion of Counsel to such effect delivered to New Mountain and prior to the Payoff Date, the Administrative Agent. At any time prior to the receipt by the Safekeeping Agent of a Payoff Notice from the Administrative Agent, no such termination shall become effective until a successor has assumed the responsibilities and obligations of the Safekeeping Agent hereunder; *provided* that such successor shall be an Affiliate of Wells Fargo Bank, N.A.

[*Remainder of Page Left Blank Intentionally*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as a deed by their respective officers or signatories thereunto duly authorized as of the day and year first above written.

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: Adam Weinstein

By: _____
Name: Adam Weinstein
Title: Chief Financial Officer & Treasurer

WELLS FARGO SECURITIES, LLC, in its capacity as Administrative Agent

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as Safekeeping Agent

By: _____
Name:
Title:

EXHIBIT A

FORM OF RELEASE OF UNDERLYING INSTRUMENTS

[Delivery Date]

BY FACSIMILE: (612) 667-1080
Wells Fargo Bank, National Association
ABS Custody Vault
1055 10th Ave. SE
MAC N9401-011
Minneapolis, MN 55414
Attention: Corporate Trust Services — Asset-Backed Securities Vault

With a copy to:

Wells Fargo Bank, N.A.
9062 Old Annapolis Rd.
Columbia, Maryland 21045
Attn: CDO Trust Services—New Mountain Capital

Re: Safekeeping Agreement, dated as of [ ], 2010 (as amended, modified, supplemented or restated from time to time, the "Safekeeping Agreement"), by and among by and among New Mountain Finance Holdings L.L.C., ("New Mountain"), and Wells Fargo Securities, LLC, as the Administrative Agent, and Wells Fargo Bank, National Association. Capitalized terms used but not defined herein shall have the meanings provided in the Safekeeping Agreement.

Ladies and Gentlemen:

In connection with the administration of the Underlying Instruments held by Wells Fargo Bank, National Association on behalf of the Administrative Agent as agent for the Secured Parties, under the Loan and Security Agreement, we request the release of the Underlying Instruments (or such documents as specified below) for the Loans described below, for the reason indicated.

Obligor's Name, Address & Zip Code:

Loan Identification Number:

Reason for Requesting Documents (check one)

☐ 1. Loan paid in full. (The Collateral Administrator hereby certifies that all amounts received in connection with such Loan have been credited to the Collection Account.)

☐ 2. Loan liquidated by . (The Collateral Administrator hereby certifies that all proceeds (net of liquidation expenses which the Collateral Administrator may retain to pay such expenses) of foreclosure, insurance, condemnation or other liquidation have been finally received and credited to the Collection Account.)

☐ 3. Loan in foreclosure.

☐ 4. Delivered in Error.

☐ 5. Substitution.

☐ 6. Failure to satisfy Review Criteria.

☐ 7. Repurchased.

☐ 8. Optional Sale.

☐ 9. Discretionary Sale.

☐ 10. Termination of Agreement.

☐ 11. Servicing.

☐ 12. Other (explain).

If box 1, 2, 4, 5, 6, 7, 8, 9 or 10 above is checked, and if all or part of the Underlying Instruments were previously released to us, please release to us the Underlying Instruments, requested in our previous request and receipt on file with you, as well as any additional documents in your possession relating to the specified Loan.

If box 3, 11 or 12 above is checked, we will return of all of the above Underlying Instruments to you (i) promptly upon the request of the Administrative Agent or (ii) when our need therefor no longer exists.

[Remainder of Page Intentionally Left Blank]

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., as the Collateral Administrator

By: Adam Weinstein

By: _____
Name: Adam Weinstein
Title: Chief Financial Officer & Treasurer

Consent of Administrative Agent if required under the Agreement:

WELLS FARGO SECURITIES, LLC,
as the Administrative Agent

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT B

FORM OF PAYOFF NOTICE

The undersigned hereby certifies, represents and warrants to Wells Fargo Bank, National Association ("Wells Fargo, NA") as follows with respect to (a) the Safekeeping Agreement, dated as of , 20 (as amended, supplemented or otherwise modified from time to time, the "Safekeeping Agreement"), by and among New Mountain Finance Holdings L.L.C. ("New Mountain"), Wells Fargo Securities, LLC, as the Administrative Agent, and Wells Fargo, NA, as the Safekeeping Agent, and (b) the Amended and Restated Loan and Security Agreement, dated as of , 20 (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and among New Mountain, each of the Lenders from time to time party thereto (the "Lenders"), the Administrative Agent, and Wells Fargo, NA:

As of the date hereof, the Commitments have been terminated and the Obligations have been paid in full pursuant to the Loan Agreement, and the Loan Agreement has terminated subject to the terms of Section 12.6 of the Loan Agreement.

IN WITNESS WHEREOF, this certificate has been executed this [ ] day of [ ], 20[ ].

WELLS FARGO SECURITIES, LLC, as the Administrative Agent

By: _____
Name: _____
Title: _____
Date: _____

Exhibit (k)(1)

ADMINISTRATION AGREEMENT

This ADMINISTRATION AGREEMENT ("Agreement") is made as of , 2011 by and among New Mountain Finance Corporation, a Delaware corporation ("New Mountain Finance"), New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Operating Company" and, together with New Mountain Finance, each a "New Mountain Fund" and collectively, the "New Mountain Funds") and New Mountain Finance Administration, L.L.C., a Delaware limited liability company (the "Administrator"). New Mountain Finance, the Operating Company and the Administrator are sometimes referred to herein separately as a "party" and collectively as the "parties".

RECITALS

WHEREAS, the New Mountain Funds are closed-end management investment companies that intend to elect to be treated as business development companies ("BDCs") under the Investment Company Act of 1940, as amended (the "Investment Company Act");

WHEREAS, the New Mountain Funds desire to retain the Administrator to provide administrative services to each of the New Mountain Funds in the manner and on the terms hereinafter set forth; and

WHEREAS, the Administrator is willing to provide administrative services to each of the New Mountain Funds on the terms and conditions hereafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

1. Duties of the Administrator

(a) Employment of Administrator. The New Mountain Funds hereby jointly and severally employ the Administrator to act as administrator of each of the New Mountain Funds, and to furnish, or arrange for others to furnish, the administrative services, personnel and facilities described below, subject to review by and the overall control of the Board of Directors of New Mountain Finance, with respect to services provided to New Mountain Finance (the "New Mountain Capital Services"), and the Board of Directors of the Operating Company, with respect to services provided to the Operating Company (the "Operating Company Services" and, together with the Operating Company Services, the "Services"), in each case for the period and on the terms and conditions set forth in this Agreement. The Administrator hereby accepts such employment and agrees during such period to render, or arrange for the rendering of, such Services to the New Mountain Funds and to assume the obligations herein set forth subject to the reimbursement of costs and expenses provided for below. The Administrator and such others shall for all purposes herein be deemed to be independent contractors and shall, unless otherwise expressly provided or authorized herein, have no authority to act for or represent the New Mountain Funds in any way or otherwise be deemed agents of the New Mountain Funds; provided, however, that the Administrator may enter into agreements as an agent of the Operating Company in furtherance of its responsibilities under this Agreement.

(b) Services. The Administrator shall perform (or oversee, or arrange for, the performance of) the administrative services necessary for the operation of each of the New Mountain Funds. Without limiting the generality of the foregoing, the Administrator shall provide each of the New Mountain Funds with office facilities, equipment, clerical, bookkeeping and record keeping services at such facilities and such other services as the Administrator, subject to review by the Board of Directors of New Mountain Finance, with respect to any Operating Company Services, or the Board of Directors of the Operating Company, with respect to any Operating Company Services, shall from time to time determine to be necessary or useful to perform its respective obligations to New Mountain Finance and the Operating Company under this Agreement. The Administrator shall also, on behalf of each of the New Mountain Funds, conduct relations with custodians, depositories, transfer agents, dividend disbursing agents, other stockholder servicing agents, accountants, attorneys, underwriters, brokers and dealers, corporate fiduciaries, insurers, banks and such other persons in any such other capacity deemed to be necessary or

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desirable. The Administrator shall make reports to the Board of Directors ofNew Mountain Finance of its performance of its obligations to New Mountain Finance hereunder and to the Board of Directors of the Operating Company of its performance of its obligations to the Operating Company hereunder and furnish advice and recommendations with respect to such other aspects of the business and affairs of New Mountain Finance and the Operating Company, respectively, as it shall determine to be desirable; provided that nothing herein shall be construed to require the Administrator to, and the Administrator shall not, provide any advice or recommendation relating to the securities and other assets that the New Mountain Funds should purchase, retain or sell or any other investment advisory services to the New Mountain Funds. The Administrator shall be responsible for the financial and other records that the New Mountain Funds are required to maintain and shall prepare, print and disseminate reports to stockholders or members, as applicable, and reports and other materials filed with the Securities and Exchange Commission (the "SEC") or any other regulatory authority. The Administrator will provide on the Operating Company's behalf significant managerial assistance to those portfolio companies to which the Operating Company is required to provide such assistance. In addition, the Administrator will assist New Mountain Finance and the Operating Company in determining and publishing their respective net asset values, overseeing the preparation and filing of their respective tax returns, and generally overseeing the payment of their respective expenses and the performance of administrative and professional services rendered to them by others.

(c) Retention of Third Party Service Providers. The Administrator is hereby authorized to enter into one or more agreements with third party service providers as an agent of the Operating Company (including any sub-administrator) (each, a "Service Provider") pursuant to which the Administrator may obtain the services of the Service Provider(s) to assist the Administrator in fulfilling its responsibilities to the New Mountain Funds hereunder. The Operating Company shall be responsible for any expenses incurred by the Administrator on behalf of the New Mountain Funds payable to any Service Provider. Any sub-administration agreement entered into by the Administrator shall be in accordance with the requirements of the Investment Company Act and other applicable federal and state law.

2. Records

The Administrator agrees to maintain and keep all books, accounts and other records of each of the New Mountain Funds that relate to activities performed by the Administrator for each of the New Mountain Funds hereunder and will maintain and keep such books, accounts and records in accordance with the Investment Company Act. In compliance with the requirements of Rule 31a-3 under the Investment Company Act, the Administrator agrees that all records which it maintains for each of the New Mountain Funds shall at all times remain the property of New Mountain Finance or the Operating Company, as applicable, shall be readily accessible during normal business hours, and shall be promptly surrendered upon the termination of the Agreement or otherwise on written request. The Administrator further agrees that all records which it maintains for each of the New Mountain Funds pursuant to Rule 31a-1 under the Investment Company Act will be preserved for the periods prescribed by Rule 31a-2 under the Investment Company Act unless any such records are earlier surrendered as provided above. Records shall be surrendered in usable machine-readable form. The Administrator shall have the right to retain copies of such records subject to observance of its confidentiality obligations under this Agreement.

3. Confidentiality

The parties hereto agree that each shall treat confidentially all information provided by a party to any other party regarding its business and operations. All confidential information provided by a party hereto, including nonpublic personal information (regulated pursuant to Regulation S-P of the SEC), shall be used by any other party hereto solely for the purpose of rendering services pursuant to this Agreement and, except as may be required in carrying out this Agreement or any other agreement between New Mountain Finance, the Operating Company, the Administrator or any of their respective affiliates, shall not be disclosed to any third party, without the prior

consent of such providing party. The foregoing shall not be applicable to any information that is publicly available when provided or thereafter becomes publicly available other than through a breach of this Agreement, or that is required to be disclosed by any regulatory authority, any authority or legal counsel of the parties hereto, by judicial or administrative process or otherwise by applicable law or regulation.

4. Compensation; Allocation of Costs and Expenses

In full consideration of the provision of the Services of the Administrator, the Operating Company shall reimburse the Administrator for the costs and expenses incurred by the Administrator in performing its obligations and providing personnel and facilities to each of the New Mountain Funds hereunder. In addition, the Operating Company shall reimburse any affiliate of the Administrator for any costs and expenses incurred by such affiliate on behalf of the Administrator in connection with the Administrator's provision of services to the New Mountain Funds under this Agreement. The Operating Company will bear all costs and expenses that are incurred in each of the New Mountain Fund's operation, administration and transactions and not specifically assumed by the Operating Company's investment advisor (the "Advisor"), pursuant to that certain Investment Management Agreement, dated as of , 2011 by and between the Operating Company and the Advisor. Costs and expenses to be borne by the Operating Company include, but are not limited to, those relating to: organization and offering; calculating New Mountain Finance's and the Operating Company's respective net asset values (including the cost and expenses of any independent valuation firm); expenses incurred or paid by the Advisor or any affiliate of the Advisor and paid or payable to third parties, including agents, consultants or other advisors, in monitoring financial and legal affairs for each of the New Mountain Funds and in providing administrative services, monitoring the Operating Company's investments and performing due diligence on its prospective portfolio companies; interest payable on debt, if any, incurred to finance the Operating Company's investments; sales and purchases of New Mountain Finance's common stock and other securities, including securities of the Operating Company; investment advisory and management fees; administration fees, if any, payable under this Agreement; fees payable to third parties, including agents, consultants or other advisors, relating to, or associated with, evaluating and making investments; transfer agent and custodial fees; federal and state registration fees; all costs of registration and listing New Mountain Finance's shares on any securities exchange; federal, state and local taxes; independent directors' fees and expenses; costs of preparing and filing reports or other documents required by the Securities and Exchange Commission; costs of any reports, proxy statements or other notices to stockholders or members, as applicable, including printing costs; the New Mountain Fund's allocable portion of the fidelity bond, directors and officers, errors and omissions liability insurance, and any other insurance premiums; direct costs and expenses of administration, including printing, mailing, long distance telephone, copying, secretarial and other staff, independent auditors and outside legal costs; and all other expenses incurred by the New Mountain Funds or the Administrator in connection with administering the New Mountain Funds' business, including payments under this Agreement based upon the New Mountain Funds' allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent and the allocable portion of the cost of New Mountain Finance's and the Operating Company's chief compliance officer and chief financial officer and their respective staffs. Notwithstanding the foregoing, amounts payable to the Administrator from the Operating Company shall not exceed $3,000,000 for the time period ending one year from the date of this Agreement.

5. Limitation of Liability of the Administrator; Indemnification

The Administrator, its affiliates and their respective officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Administrator, including without limitation its sole member and any person affiliated with New Mountain Capital, L.L.C. to the extent they are providing services for or otherwise acting on behalf of the Administrator, Advisor or the New Mountain Funds) shall not be liable to the New Mountain Funds for any action taken or omitted to be taken by the Administrator in connection with the performance of any of its duties or obligations under this Agreement or otherwise as administrator for the New Mountain Funds, and New Mountain Finance and the Operating Company shall, jointly and severally, indemnify, defend and protect the Administrator, its affiliates and their respective officers, managers, partners, agents, employees, controlling persons, members, and any other person or entity affiliated with the Administrator, including without limitation its sole member and any person affiliated with New Mountain Capital, L.L.C., the Advisor, each of whom shall be deemed a third party beneficiary hereof) (collectively, the "Indemnified Parties") and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by the Indemnified Parties in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of New Mountain Finance or the Operating Company or their respective securityholders or members) arising out of or otherwise based upon the performance of any of the Administrator's duties or obligations under this Agreement or otherwise as administrator for the New Mountain Funds. Notwithstanding the preceding sentence of

this Section 5 to the contrary, nothing contained herein shall protect or be deemed to protect the Indemnified Parties against or entitle or be deemed to entitle the Indemnified Parties to indemnification in respect of, any liability to New Mountain Finance or its securityholders or the Operating Company or its members to which the Indemnified Parties would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Administrator's duties or by reason of the reckless disregard of the Administrator's duties and obligations under this Agreement (to the extent applicable), as the same shall be determined in accordance with the Investment Company Act and any interpretations or guidance by the SEC or its staff thereunder.

6. Activities of the Administrator

The services of the Administrator to the New Mountain Funds are not to be deemed to be exclusive, and the Administrator and each affiliate of the Administrator and any other person providing services to the New Mountain Funds as arranged by the Administrator, is free to render services to others. It is understood that directors, officers, employees and stockholders or members of New Mountain Finance or the Operating Company, as applicable, are or may become interested in the Administrator and its affiliates, as directors, officers, members, managers, employees, partners, stockholders or otherwise, and that the Administrator and directors, officers, members, managers, employees, partners and stockholders of the Administrator and its affiliates are or may become similarly interested in New Mountain Finance or the Operating Company, as applicable, as stockholders, members or otherwise.

7. Duration and Termination of this Agreement

(a) This Agreement shall become effective as of the date hereof. This Agreement shall continue in effect for two years from the date hereof, or to the extent consistent with the requirements of the Investment Company Act, from the date of the Company's election to be regulated as a BDC under the Investment Company Act, and thereafter shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually (i) with respect to New Mountain Finance, by (A) the vote of New Mountain Finance's Board of Directors, or by the vote of a majority of the outstanding voting securities of New Mountain Finance and (B) the vote of a majority of New Mountain Finance's Board of Directors who are not parties to this Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of any such party, in accordance with the requirements of the Investment Company Act and (ii) with respect to the Operating Company, by (A) the vote of the Operating Company's Board of Directors, or by the vote of a majority of the outstanding voting securities of the Operating Company and (B) the vote of a majority of the Operating Company's Board of Directors who are not parties to this Agreement or "interested persons" (as such term is defined in Section 2(a)(19) of the Investment Company Act) of any such party, in accordance with the requirements of the Investment Company Act.

(b) The Agreement may be terminated at any time, without the payment of any penalty, upon 60 days' written notice,(i) with respect to New Mountain Finance only, by the vote of a majority of the outstanding voting securities of New Mountain Finance or by the vote of New Mountain Finance's Board of Directors, (ii) with respect to the Operating Company only, by the vote of a majority of the outstanding voting securities of the Operating Company or by the vote of the Operating Company's Board of Directors, or (iii) by the Administrator. For the avoidance of doubt, any termination by New Mountain Finance or the Operating Company pursuant to clause (i) or (ii), respectively, of this Section 7(b) shall not otherwise operate to terminate this Agreement with respect to the other parties hereto and the obligations of the Administrator

hereunder to the non-terminating party shall continue in full force and effect.

8. Amendments of this Agreement

This Agreement may not be amended or modified except by a written instrument signed by each party hereto.

9. Assignment

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by a party without the consent of the other

parties. The provisions of Section 5 of this Agreement shall remain in full force and effect, and the Administrator shall remain entitled to the benefits thereof, notwithstanding any termination of this Agreement.

10. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York and the applicable provisions of the Investment Company Act. To the extent the applicable laws of the State of New York, or any of the provisions herein, conflict with the provisions of the Investment Company Act, the latter shall control.

11. No Waiver

The failure of any party to enforce at any time for any period the provisions of or any rights deriving from this Agreement shall not be construed to be a waiver of such provisions or rights or the right of such party thereafter to enforce such provisions, and no waiver shall be binding unless executed in writing by all parties hereto.

12. Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

13. Notices

Any notice under this Agreement shall be given in writing, addressed and delivered or mailed, postage prepaid, to the other parties at their principal office.

14. Counterparts

This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original instrument and all of which taken together shall constitute one and the same agreement.

15. Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supercedes all prior agreements, understandings and arrangements with respect to such subject matter.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

NEW MOUNTAIN FINANCE CORPORATION

By: _____
Name:
Title:

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name:
Title:

NEW MOUNTAIN FINANCE ADMINISTRATION, L.L.C.

By: _____
Name:

Title:

Exhibit (k)(2)

TRADEMARK LICENSE AGREEMENT

This TRADEMARK LICENSE AGREEMENT (this "Agreement") is made and effective as of , 2011 (the "Effective Date"), by and among New Mountain Capital, L.L.C., a Delaware limited liability company (the "Licensor"), New Mountain Finance Corporation, a Delaware corporation ("New Mountain Finance"), and New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Operating Company"). New Mountain Finance and the Operating Company are each referred to herein as a "Licensee", and collectively as the "Licensees"). The Licensor and the Licensees are sometimes referred to herein separately as a "party" and collectively as the "parties."

RECITALS

WHEREAS, the Licensees are closed-end management investment companies that intend to elect to be treated as business development companies under the Investment Company Act of 1940, as amended;

WHEREAS, the Licensor, together with its affiliates, provides investment management, investment consultation and investment advisory services;

WHEREAS, the Licensor, of which New Mountain Finance Advisers, BDC, L.L.C., a Delaware limited liability company (the "Investment Advisor") is an affiliate, has used the mark "New Mountain" (the "Licensed Mark") in the United States of America and Canada (the "Territory") in connection with the investment management, investment consultation and investment advisory services they provide;

WHEREAS, the Operating Company is entering into an investment advisory and management agreement with the Investment Advisor (the "Investment Management Agreement"), wherein the Operating Company will engage the Investment Advisor to act as the investment advisor to the Operating Company;

WHEREAS, it is intended that the Investment Advisor be a third party beneficiary of this Agreement; and

WHEREAS, each Licensee desires to use the Licensed Mark as part of its company name and in connection with the operation of their respective business, and the Licensor is willing to grant each Licensee a license to use the Licensed Mark, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1

LICENSE GRANT

1.1. License. Subject to the terms and conditions of this Agreement, the Licensor hereby grants to each Licensee, and the Licensees hereby accept, jointly and severally, from the Licensor, a personal, non-exclusive, royalty-free right and license to use the Licensed Mark solely and exclusively as a component of each Licensee's own company name and in connection with the conduct of their respective business and marketing the investment management, investment consultation and investment advisory services that the Investment Advisor may provide to the Operating Company. During the term of this Agreement, the Licensees shall use the Licensed Mark only to the extent permitted under this Agreement, and except as provided above, neither the Licensees nor any of their respective affiliates, owners, directors, officers, employees or agents shall otherwise use the Licensed Mark or any derivatives without the prior express written consent of the Licensor in its sole and absolute discretion. All rights not expressly granted to the Licensees hereunder shall remain the exclusive property of the Licensor. Upon written notification by the Licensor to a Licensee of noncompliance with the Licensor's quality standards in any material respect, such Licensee shall take appropriate steps, in a commercially reasonable time frame, not to exceed sixty (60) days, to cure such noncompliance.

1.2. Licensor's Use. Nothing in this Agreement shall preclude the Licensor, its affiliates, or any of its successors or assigns from using or permitting other entities to use the Licensed Mark, whether or not such entity directly or indirectly competes or conflicts with either of the Licensee's businesses in any manner.

1.3. Ownership. The Licensees acknowledge and agree that the Licensor is the owner of all right, title, and interest in and to the Licensed Mark, and all such right, title, and interest shall remain with the Licensor. The Licensees shall not otherwise contest, dispute, or challenge the Licensor's right, title, and interest in and to the Licensed Mark.

1.4. Goodwill. All goodwill and reputation generated by the Licensees' use of the Licensed Mark shall inure to the benefit of Licensor. The Licensees shall not by any act or omission use the Licensed Mark in any manner that disparages or reflects adversely on Licensor or its business or reputation.

ARTICLE 2

COMPLIANCE

2.1. Quality Control. In order to preserve the inherent value of the Licensed Mark, each of the Licensees agree, jointly and severally, to use reasonable efforts to ensure that they maintain the quality of their respective businesses and the operation thereof equal to the standards prevailing in the operation of the Licensor's and the Licensees' businesses as of the date of this Agreement. Each of the Licensees further agree, jointly and severally, to use the Licensed Mark in accordance with such quality standards as may be reasonably established by the Licensor and communicated to the Licensees from time to time in writing, or as may be agreed to by the Licensor and the Licensees from time to time in writing. Each of the Licensees agrees to allow the Licensor to conduct reasonable inspection of the quality of each Licensee's respective services from time to time.

2.2. Compliance With Laws. Each Licensee agrees, jointly and severally, that the business operated by it in connection with the Licensed Mark shall comply with all laws, rules, regulations and requirements of any governmental body in the Territory or elsewhere as may be applicable to the operation, advertising, and promotion of the business and that it shall notify the Licensor of any action that must be taken by such Licensee to comply with such law, rules, regulations or requirements.

2.3. Notification of Infringement. Each party shall immediately notify the other parties and provide to the other parties all relevant background facts upon becoming aware of (a) any registrations of, or applications for registration of, marks in the Territory that do or may conflict with the Licensor's rights in the Licensed Mark or the rights granted to the Licensees under this Agreement, (b) any infringements or misuses of the Licensed Mark in the Territory by any third party ("Third Party Infringement") or (c) any claim that Licensees' use of the Licensed Mark infringes the intellectual property rights of any third party in the Territory ("Third Party Claim"). The Licensor shall have the exclusive right, but not the obligation, to prosecute, defend and/or settle in its sole discretion, all actions, proceedings and claims involving any Third Party Infringement or Third Party Claim, and to take any other action that it deems necessary or proper for the protection and preservation of its rights in the Licensed Mark. The Licensees shall cooperate with the Licensor in the prosecution, defense or settlement of such actions, proceedings or claims.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1. Disclaimer of Representation and Warranties. Each of the Licensees hereby accepts this license on an "as is" basis. Each Licensee acknowledges that the Licensor makes no explicit or implicit representation or warranty as to the registrability, validity, enforceability or ownership of the Licensed Mark, or as to the Licensees' ability to use the Licensed Mark without infringing or otherwise violating the rights of others, and the Licensor has no obligation to indemnify either of the Licensees with respect to any claims arising from the Licensees' use of the Licensed Mark, including without limitation any Third Party Claim.

3.2. Mutual Representations. Each party hereby represents and warrants to the other parties as follows:

(a) Due Authorization. Such party is a corporation or limited liability company duly incorporated or organized and in good standing as of the Effective Date, and the execution, delivery and performance of this Agreement by such party have been duly authorized by all necessary action on the part of such party.

(b) Due Execution. This Agreement has been duly executed and delivered by such party and, upon due authorization, execution and delivery of this Agreement by the other party, constitutes a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms.

(c) No Conflict. Such party's execution, delivery and performance of this Agreement do not: (i) violate, conflict with or result in the breach of any provision of the charter or by-laws (or similar organizational documents) of such party; (ii) conflict with or violate any governmental order applicable to such party or any of its assets, properties or businesses; or (iii) conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of any contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which it is a party.

ARTICLE 4

TERM AND TERMINATION

4.1. Term. The license granted to Licensees under this Agreement shall continue perpetually. Notwithstanding the foregoing, this Agreement shall expire if the Investment Advisor or one of its affiliates ceases to serve as investment adviser to the Operating Company. This Agreement shall be terminable (a) by the Licensor (i) at any time and in its sole discretion in the event that the Licensor or a Licensee receives notice of any Third Party Claim arising out of any Licensee's use of the Licensed Mark or (ii) upon sixty (60) days' written notice to the other parties or (b) by either Licensee (i) at any time in the event such Licensee assigns or attempts to assign or sublicense this Agreement or any of the Licensee's rights or duties hereunder without the prior written consent of the Licensor or (ii) upon sixty (60) days' written notice by such Licensee to the Licensor.

4.2. Effect of Termination. Upon expiration or termination of this Agreement, all rights granted to the Licensees under this Agreement with respect to the Licensed Mark shall cease, and the Licensees shall immediately delete the term "New Mountain" from their corporate names and shall discontinue all other use of the Licensed Mark. For twenty-four (24) months following termination of this Agreement, the Licensees shall specify on all public-facing materials in a prominent place and in prominent typeface that the Licensees are no longer operating under the Licensed Mark, are no longer associated with the Licensor, or such other notice as may be deemed necessary by the Licensor in its sole discretion in its prosecution, defense, and/or settlement of any Third Party Claim. For the avoidance of doubt, any termination by New Mountain Finance or the Operating Company pursuant to clause (b) of Section 4.1 shall not otherwise operate to terminate this Agreement with respect to the other parties hereto and the license granted hereunder to the non-terminating party shall continue in full force and effect and the provisions of this Section 4.2 shall not apply to such non-terminating party.

ARTICLE 5

MISCELLANEOUS

5.1. Third Party Beneficiaries. The parties agree that the Investment Advisor shall be a third party beneficiary of this Agreement, and shall have the rights and protections provided to the Licensees under this Agreement. Nothing in this Agreement, either express or implied, is intended to or shall confer upon any third party other than the Investment Advisor any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

5.2. Assignment. The Licensees shall not sublicense, assign, pledge or grant as security or otherwise encumber or transfer to any third party all or any part of its rights or duties under this Agreement, in whole or in

part, without the prior written consent from the Licensor, which consent the Licensor may grant or withhold in its sole and absolute discretion. Any purported transfer or other encumbrance without such consent shall be void *ab initio.*

5.3. Independent Contractor. Except as expressly provided or authorized in the Investment Management Agreement or any other agreement between the parties, no party shall have, or shall represent that it has, any power, right or authority to bind the other parties to any obligation or liability, or to assume or create any obligation or liability on behalf of the other parties.

5.4. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service (with signature required), by facsimile or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or such other address as the parties may provide to each other by written Notice):

If to the Licensor:
New Mountain Capital, L.L.C.
787 7th Avenue, 49th Floor
New York, New York 10019
Tel. No.: 212.720.0300
Attn: Chief Executive Officer

If to the Licensees:
New Mountain Finance Corporation
787 7th Avenue, 48th Floor

New York, New York 10019
Tel. No.: 212.720.0300
Attn: Chief Executive Officer

5.5. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without giving effect to the principles of conflicts of law rules. The parties unconditionally and irrevocably consent to the exclusive jurisdiction of the courts located in the State of New York and waive any objection with respect thereto, for the purpose of any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

5.6. Amendment. This Agreement may not be amended or modified except by a written instrument signed by each party hereto.

5.7. No Waiver. The failure of any party to enforce at any time for any period the provisions of or any rights deriving from this Agreement shall not be construed to be a waiver of such provisions or rights or the right of such party thereafter to enforce such provisions, and no waiver shall be binding unless executed in writing by all parties hereto.

5.8. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

5.9. Headings. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

5.10. Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original instrument and all of which taken together shall constitute one and the same agreement.

5.11. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and arrangements with respect to such subject matter.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the Effective Date.

LICENSOR:

NEW MOUNTAIN CAPITAL, L.L.C.

By: _____
Name:
Title:

LICENSEES:

NEW MOUNTAIN FINANCE CORPORATION

By: _____
Name:
Title:

NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED TO
AS OF , 2011

NEW MOUNTAIN FINANCE ADVISERS BDC, L.L.C.

By: _____
Name:
Title:

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of , 2011, is entered into by and among New Mountain Finance Corporation, a Delaware corporation (including its successors, the "**Company**"), New Mountain Finance AIV Holdings Corporation, a Delaware corporation ("**Finance AIV Holdings**"), New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company ("**New Mountain Finance Advisers**") and the persons listed on the signature pages hereto under the heading "PublicCo Holders" ("**PublicCo Holders**").

ARTICLE 1
DEFINITIONS

1.1. Definitions. The following terms shall have the meanings set forth in this Section 1.1:

"**Affiliate**" of any specified Person means any other Person directly or indirectly "controlling," "controlled by" or "under common control with" (within the meaning of Rule 405 under the Securities Act), such specified Person; provided, however, the determination of whether a Person is an Affiliate of another Person shall be made assuming that no Holder is an Affiliate of the Company or New Mountain Finance Holdings, L.L.C., a Delaware limited liability company, solely by virtue of the ownership of Membership Units or Common Stock.

"**Common Stock**" shall mean the Company's common stock, par value $0.01 per share.

"**Equity Interests**" mean, with respect to the Company, any and all shares of capital stock in the Company or securities convertible into, or exchangeable or exercisable for, such shares, and options, warrants or other rights to acquire such shares. For purposes of this Agreement, Equity Interests shall include all issued and outstanding Membership Units.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations promulgated by the SEC thereunder.

"**Excluded Registration**" means a registration under the Securities Act of (i) securities pursuant to one or more Demand Registrations pursuant to Section 2.1 hereof, (ii) securities registered on Form S-8 or any similar successor form, and (iii) securities registered to effect the acquisition of, or combination with, another Person.

"**Holders**" means, collectively, the PublicCo Holders and the OpCo Holders.

"**Initial Public Offering**" means the initial public offering registered under the Securities Act of the Common Stock of the Company.

"**IPO Registration Statement**" means the Company's registration statement on Form N-2 (File No. 333-168280), as amended, filed with the SEC in connection with the Initial Public Offering.

"**Membership Units**" means the common membership units of New Mountain Finance Holdings, L.L.C.

"**OpCo Holder**" means (i) Finance AIV Holdings, (ii) New Mountain Finance Advisers and (iii) any Person to whom Finance AIV Holdings or New Mountain Finance Advisers assigns rights under this Agreement pursuant to Section 2.9, and who has agreed in writing to be bound by the terms of this Agreement.

"**Person**" or "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof.

"**register**," "**registered**" and "**registration**" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"**Registrable Securities**" means the shares of the Company's Common Stock owned at any time by the Holders or issued or issuable to any Holder in exchange for Membership Units. As to any particular Registrable Securities, such Common Stock shall cease to be Registrable Securities when: (a) a registration statement with respect to the sale of such Common Stock shall have become effective under the Securities Act and such Common Stock shall have been disposed of in accordance with such registration statement; (b) such Common Stock shall have been sold to the public pursuant to Rule 144 under the Securities Act (or any successor provision); or (c) such Common Stock shall have ceased to be outstanding.

"**Requesting Holders**" shall mean any OpCo Holder(s) requesting to have its (their) Registrable Securities included in any Demand Registration or Shelf Registration.

"**SEC**" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"**Securities Act**" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations promulgated by the SEC thereunder.

1.2. Other Terms. For purposes of this Agreement, the following terms have the meanings set forth in the section or agreement indicated.

Term	Section
Advice	Section 2.6
Agreement	Introductory Paragraph
Blackout Period	Section 2.1.7
Company	Introductory Paragraph
Demand Registration	Section 2.1.1(i)
Demand Request	Section 2.1.1(i)
FINRA	Section 2.7.1
Finance AIV Holdings	Introductory Paragraph

Inspectors	Section 2.5(xiii)
New Mountain Finance Advisers	Introductory Paragraph
New York Courts	Section 3.3.2
PublicCo Holders	Introductory Paragraph
Piggyback Registration	Section 2.2.1
Required Filing Date	Section 2.1.1(ii)
Shelf Registration	Section 2.3
Suspension Notice	Section 2.6
Suspension Period	Section 2.6

1.3. Rules of Construction. Unless the context otherwise requires

(1) a term has the meaning assigned to it;

(2) words in the singular include the plural, and words in the plural include the singular; and

(3) "herein," "hereof" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

ARTICLE 2
REGISTRATION RIGHTS

2.1. Demand Registration.

2.1.1 Request for Registration.

(i) Commencing on the date hereof, each OpCo Holder shall have the right to require the Company to file a registration statement on Form N-2 or any similar or successor to such form under the Securities Act for a public offering of all or part of the Registrable Securities held by such OpCo Holder (a "**Demand Registration**"), by delivering to the Company written notice stating that such right is being exercised by the Requesting Holder, specifying the number of each such Requesting Holder's Registrable Securities to be included in such registration and, subject to Section 2.1.4 hereof, describing the intended method of distribution thereof (a "**Demand Request**"). The IPO Registration Statement shall not constitute

a Demand Registration for any purpose under this Agreement. Each OpCo Holder may exercise its respective rights under this Section 2.1 in such OpCo Holder's sole discretion.

(ii) Each Demand Request shall specify the aggregate number of Registrable Securities proposed to be sold. Subject to Section 2.1.7, the Company shall file the registration statement in respect of a Demand Registration within forty-five (45) days after receiving a Demand Request (the "**Required Filing Date**") and shall use reasonable best efforts to cause the same to be declared effective by the SEC as promptly as practicable after such filing; provided, however, that:

(a) the Company shall not be obligated to cause a registration statement with respect to a Demand Registration to be declared effective pursuant to Section 2.1.1(i) (A) within 30 days after the effective date of a previous Demand Registration, other than a Shelf Registration pursuant to this Article 2, or (B) within 180 days after the effective date of the IPO Registration Statement unless any lock-up period applicable to Finance AIV Holdings and/or New Mountain Finance Advisers in connection with the Initial Public Offering has been waived as provided in the applicable lock-up agreement, delivered in connection with the Initial Public Offering;

(b) the Company shall not be obligated to cause a registration statement with respect to a Demand Registration to be declared effective pursuant to Section 2.1.1(i) unless the Demand Request is for a number of Registrable Securities with a market value that is equal to at least $10 million as of the date of such Demand Request; provided, however, that this Section 2.1.1.(ii)(b) shall not apply if the applicable Demand Request is for all of the Registrable Securities held by the OpCo Holders as of the date of such Demand Request;

(c) the Company shall not be obligated to cause to be declared effective pursuant to Section 2.1.1(i) more than 5 registration statements with respect to Demand Registrations; and

(d) the OpCo Holder shall have the right to withdraw a Demand Request at any time prior to the relevant registration statement being declared effective by the SEC and such registration statement shall not count as a Demand Request under this Section 2.1.

2.1.2 Rights of Nonrequesting OpCo Holders. Upon receipt of any Demand Request, the Company shall no later than ten (10) days after the filing of the relevant Registration Statement give written notice delivered by hand, facsimile transmission, electronic mail or nationally recognized overnight delivery service (with postage prepaid) of such proposed Demand Registration to all other OpCo Holders, who shall have the right, exercisable by written notice to the Company within fifteen (15) days of the delivery of the Company's notice, to elect to include in such Demand Registration such portion of their Registrable Securities as they may request. All OpCo Holders requesting to have their Registrable Securities included in a Demand Registration in accordance with the preceding sentence shall be deemed to be "Requesting Holders" for purposes of this Section 2.1.

2.1.3 Piggyback Rights of PublicCo Holders. Upon receipt of any Demand Request, the Company shall no later than ten (10) days after the filing of the relevant Registration Statement give written notice delivered by hand, facsimile transmission, electronic mail or nationally recognized overnight delivery service (with postage prepaid) of such proposed Demand Registration to all PublicCo Holders, which notice shall offer each such PublicCo Holder the opportunity to include any or all of its Registrable Securities in such registration statement, subject to the limitations contained in 2.1.4 hereof. Each PublicCo Holder who desires to have its Registrable Securities included in such Demand Registration shall so advise the Company in writing (stating the number of shares desired to be registered) within ten (10) days after the date of such notice from the Company.

2.1.4 Priority on Demand Registrations. The Company shall include in a Demand Registration (a) first, the Registrable Securities requested by Requesting Holders to be included therein, (b) second, the Registrable Securities requested by the PublicCo Holders to be included therein, pro rata among the PublicCo Holders on the basis of the number of Registrable Securities requested to be included in such Demand Registration, and (c) third, any other securities requested to be included in such Demand Registration (including securities to be sold for the account of the Company). Notwithstanding the foregoing, no securities shall be included in a Demand Registration pursuant to clauses (b) or (c) above unless the managing underwriter or underwriters shall advise the Requesting Holders that such securities may be included and sold in an orderly manner at a price that is acceptable to the holders of a majority of the Registrable Securities of the Requesting Holders to be included in such Demand

Registration. The managing underwriter or underwriters may make any determination pursuant to this Section 2.1.4 both prior to and following the printing of any preliminary prospectus or preliminary prospectus supplement with respect to any Demand Registration.

2.1.5 Selection of Underwriters. The holders of a majority of the Registrable Securities of the Requesting Holders to be included in such Demand Registration (i) may request that the offering of Registrable Securities pursuant to a Demand Registration be in the form of a "firm commitment" underwritten offering and (ii) may select the investment banking firm or firms to manage the underwritten offering.

2.1.6 Representations, Warranties and Indemnification. No Holder may participate in any registration pursuant to Section 2.1 unless such Holder (x) agrees to sell such Holder's Registrable Securities on the basis provided in the underwriting arrangements with respect to such offering and (y) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents and delivers all opinions, each in customary form, reasonably required under the terms of such underwriting arrangements; provided, however, that no such Holder shall be required to make any representations or warranties in connection with any such registration other than representations and warranties as to (i) such Holder's ownership of his or its Registrable Securities to be sold or transferred free and clear of all encumbrances, (ii) such Holder's power and authority to effect such transfer, and (iii) such matters pertaining to compliance with securities laws as may be reasonably requested; provided, further, however, that the obligation of such Holder to indemnify pursuant to any such underwriting arrangements shall be several, not joint and several, among such Holders selling Registrable Securities, and the liability of each such Holder will be in proportion thereto, and provided, further, that such liability will be limited to the net amount received by such Holder

from the sale of his or its Registrable Securities pursuant to such registration; andprovided, further, that any such indemnification provided by a Holder selling Registrable Securities shall be limited to indemnification for information provided by such Holder relating to such Holder specifically for inclusion in the registration statement.

2.1.7 Deferral of Filing. During any calendar year, the Company may defer the filing (but not the preparation) of a registration statement required by Section 2.1 to after the Required Filing Date if at the time the Company receives the Demand Request, the Company or any of its Subsidiaries are engaged in confidential negotiations or other confidential business activities, disclosure of which would be required in such registration statement (but would not be required if such registration statement were not filed), and the Board of Directors of the Company or a committee of the Board of Directors of the Company reasonably determines in good faith that such disclosure would have a material adverse effect on the Company and its security holders (any such period during which such filing is deferred pursuant to this Section 2.1.7, a "**Blackout Period**"). The Company may only exercise its right to defer a registration statement pursuant to thisSection 2.1.7 twice in any calendar year and for no more than ninety (90) calendar days in the aggregate during such calendar year. A deferral of the filing of a registration statement pursuant to Section 2.1.7 shall be lifted, and the requested registration statement shall be filed forthwith, if the negotiations or other activities are disclosed or terminated. In order to defer the filing of a registration statement pursuant to this Section 2.1.7, the Company shall within ten (10) days, upon determining to seek such deferral, deliver to each Requesting Holder a certificate signed by an executive officer of the Company stating that the Company is deferring such filing pursuant to this Section 2.1.7 (subject to execution of a confidentiality agreement if required by law or contract) and a general statement of the reason for such deferral and an approximation of the anticipated delay. Within twenty (20) days after receiving such certificate, the Requesting Holder may withdraw such Demand Request by giving notice to the Company; if withdrawn, the Demand Request shall be deemed not to have been made for all purposes of this Agreement.

2.2. Piggyback Registrations.

2.2.1 Right to Piggyback. Each time the Company proposes to register any of its equity securities (other than pursuant to an Excluded Registration) under the Securities Act for sale to the public (whether for the account of the Company or the account of any other security holder of the Company (not a Holder)) (a "**Piggyback Registration**"), the Company shall give prompt written notice to each Holder (which notice shall be given not less than twenty (20) days prior to the anticipated printing of any preliminary prospectus), which notice shall offer each such Holder the opportunity to include any or all of its Registrable Securities in such registration statement, subject to the limitations contained in Section 2.2.2 hereof. Each Holder who desires to have its Registrable Securities included in such registration statement shall so advise the Company in writing (stating the number of shares desired to be registered) within ten (10) days after the date of such notice from the Company. Any Holder shall have the right to withdraw such Holder's request for inclusion of such Holder's Registrable Securities in any registration statement pursuant to this Section 2.2.1 by giving written notice to the Company of such withdrawal. The Company shall include in such registration statement all such Registrable Securities so requested to be included therein; provided, however, that the Company may at any time withdraw or cease proceeding with any such registration if it shall at the same time

withdraw or cease proceeding with the registration of all other equity securities originally proposed to be registered.

2.2.2 Priority on Piggyback Registrations.

(i) If a Piggyback Registration is an underwritten offering and was initiated by the Company, the Company shall include in such registration statement (a) first, Finance AIV Holdings and/or New Mountain Finance Advisers' Registrable Securities requested to be included in such registration, (b) second, the securities the Company proposes to sell, and (c) third, any other securities requested to be included in such registration.

(ii) If a Piggyback Registration is an underwritten offering and was initiated by a security holder of the Company, the Company shall include in such registration statement (a) first, the Registrable Securities requested to be included in such registration, (b) second, the securities requested to be included therein by the security holders requesting such registration, pro rata among the holders of such securities on the basis of the number of securities owned by each such holder, and (c) third, any other securities requested to be included in such registration (including securities to be sold for the account of the Company).

(iii) No Holder may participate in any Piggyback Registration hereunder unless such Holder (x) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Company and (y) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents and delivers all opinions, each in customary form, reasonably required under the terms of such underwriting arrangements; provided, however, that no such Holder shall be required to make any representations or warranties in connection with any such registration other than representations and warranties as to (a) such Holder's ownership of his or its Registrable Securities to be sold or transferred free and clear of all encumbrances, (b) such Holder's power and authority to effect such transfer, and (c) such matters pertaining to compliance with securities laws as may be reasonably requested; provided, further, however, that the obligation of such Holder to indemnify pursuant to any such underwriting arrangements shall be several, not joint and several, among such Holders selling Registrable Securities, and the liability of each such Holder will be in proportion thereto, and provided, further, that such liability will be limited to the net amount received by such Holder from the sale of his or its Registrable Securities pursuant to such registration; and provided, further, that any such indemnification provided by a Holder selling Registrable Securities shall be limited to indemnification for information provided by such Holder relating to such Holder specifically for inclusion in the registration statement.

2.2.3 Selection of Underwriters. In the event of any Piggyback Registration, the Holders of a majority of the Registrable Securities to be included in such Piggyback Registration (a) may select one or more investment banking firms to manage the offering, and (b) may select one or more investment banking firms to participate in any underwriting syndicate.

2.3. Shelf Registration. The Company shall use its reasonable best efforts to become eligible to use a "shelf" registration statement on Form N-2 pursuant to

Rule 415 under the Securities Act ("**Form N-2 Shelf**") and, after becoming eligible to use Form N-2 Shelf, shall use its reasonable best efforts to remain so eligible. Once the Company becomes eligible to use

Form N-2 Shelf (or any successor form), then the OpCo Holders owning a majority of the Registrable Securities may require the Company to cause Demand Registrations to be filed on a Form N-2 Shelf (or any successor form) (a "**Shelf Registration**"). If the Company is not then eligible under the Securities Act to use Form N-2 Shelf, Demand Registrations shall be filed on the form for which the Company then qualifies.

2.4. Holdback Agreements.

(i) The Company shall not and shall use its reasonable best efforts to cause its officers and directors not to effect any public sale or distribution of the equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities (other than any public sale or distribution pursuant to a plan that complies with Rule 10b5-1 under the Exchange Act), during the ten (10) days prior to and during the 90-day period beginning on the effective date of any registration statement in connection with a Demand Registration (other than a Shelf Registration), a Piggyback Registration or any registered underwritten public offering of the equity securities of the Company in which the Holders participate, except pursuant to registrations on Form S-4, Form N-14 or Form S-8 or any successor form or unless the underwriters managing any such public offering on Form S-4, Form N-14 or Form S-8 otherwise agree; provided, however, that if (1) during the last seventeen (17) days of any such 90-day period, the Company releases earnings results or material news or a material event relating to the Company occurs or (2) prior to the expiration of any such ten (10) day or 90-day period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of such ten (10) day or 90-day period, then, in each case, such ten (10) day or 90-day period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the underwriters managing any such public offering waives, in writing, such extension.

(ii) If any OpCo Holders of Registrable Securities notify the Company in writing that they intend to effect an underwritten sale of Registrable Securities registered pursuant to a Shelf Registration pursuant to Article 2 hereof, the Company shall not and shall use its reasonable best efforts to cause its officers and directors not to effect any public sale or distribution of the equity securities of the Company, or any securities convertible into or exchangeable or exercisable for its equity securities, during the ten (10) days prior to and during the 90-day period beginning on the date such notice is received, except pursuant to registrations on Form S-4, Form N-14 or Form S-8 or any successor form or unless the underwriters managing any such public offering otherwise agree; provided, however, that if (1) during the last seventeen (17) days of any such 90-day period, the Company releases earnings results or material news or a material event relating to the Company occurs or (2) prior to the expiration of any such 90-day period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of such 90-day period, then, in each case, such 90-day period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the underwriters managing any such public offering waives, in writing, such extension.

(iii) For so long as New Mountain Finance Advisers or Finance AIV Holdings or any of their Affiliates holds, in the aggregate, more than twenty-percent of the

outstanding Equity Interests, each Holder agrees, in the event of an underwritten offering by the Company (whether for the account of the Company or otherwise) in which such Holder has a right to participate, not to offer, sell, contract to sell or otherwise dispose of any Registrable Securities, or any securities convertible into or exchangeable or exercisable for such securities, including any sale pursuant to Rule 144 under the Securities Act (except as part of such underwritten offering), during the ten (10) days prior to, and during the 90-day period (or such lesser period as the lead or managing underwriters may require) beginning on, the effective date of the registration statement for such underwritten offering (or, in the case of an offering pursuant to an effective shelf registration statement pursuant to Rule 415, the pricing date for such underwritten offering); provided, however, that if (1) during the last seventeen (17) days of any 90-day period, the Company releases earnings results or material news or a material event relating to the Company occurs or (2) prior to the expiration of any 90-day period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of such 90-day period, then in each case such 90-day period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the underwriters managing any such public offering waives, in writing, such extension.

2.5. Registration Procedures. Whenever any Holder has requested that any Registrable Securities be registered pursuant to this Agreement, the Company will use its reasonable best efforts to complete the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof within the time periods set forth in this Agreement, and pursuant thereto the Company will as promptly as practicable:

(i) prepare and file with the SEC, pursuant to Section 2.1.1(ii) with respect to any Demand Registration, a registration statement on any appropriate form under the Securities Act with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective, provided that as far in advance as practicable before filing such registration statement or any amendment thereto, the Company will furnish to the selling Holders copies of reasonably complete drafts of all such documents prepared to be filed (including exhibits), and any such Holder shall have the opportunity to object to any information contained therein and the Company will make corrections reasonably requested by such Holder with respect to such information prior to filing any such registration statement or amendment;

(ii) except in the case of a Shelf Registration, prepare and file with the SEC such amendments, post-effective amendments, and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than one hundred eighty (180) days (or such lesser period as is necessary for the underwriters in an underwritten offering to sell unsold allotments) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iii) in the case of a Shelf Registration, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in

connection therewith as may be necessary to keep such registration statement continuously effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities subject thereto for a period ending on the date on which all the Registrable Securities subject thereto have been sold pursuant to such registration statement;

(iv) furnish to each seller of Registrable Securities and the underwriters of the securities being registered such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus), any issuer free writing prospectus, any documents incorporated by reference therein and such other documents as such seller or underwriters may reasonably request in order to

facilitate the disposition of the Registrable Securities owned by such seller or the sale of such securities by such underwriters (it being understood that, subject to Section 2.6 and the requirements of the Securities Act and applicable state securities laws, the Company consents to the use of the prospectus, any amendment or supplement thereto and any issuer free writing prospectus by each seller and the underwriters in connection with the offering and sale of the Registrable Securities covered by the registration statement of which such prospectus, amendment or supplement is a part);

(v) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as the managing underwriter reasonably requests (or, in the event the registration statement does not relate to an underwritten offering, as the holders of a majority of such Registrable Securities may reasonably request); use its reasonable best efforts to keep each such registration or qualification (or exemption therefrom) effective during the period in which such registration statement is required to be kept effective; and do any and all other acts and things which may be reasonably necessary or advisable to enable each seller to consummate the disposition of the Registrable Securities owned by such seller in such jurisdictions (provided, however, that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph or (B) consent to general service of process in any such jurisdiction);

(vi) promptly notify each seller and each underwriter and (if requested by any such Person) confirm such notice in writing (A) when a registration statement or any issuer free writing prospectus used in connection therewith, a prospectus or any prospectus supplement or post-effective amendment has been filed and, with respect to a registration statement or any post-effective amendment, when the same has become effective, (B) of the issuance by any state securities or other regulatory authority of any order suspending the qualification or exemption from qualification of any of the Registrable Securities under state securities or "blue sky" laws or the initiation of any proceedings for that purpose, and (C) of the happening of any event which makes any statement made in a registration statement or related prospectus or issuer free writing prospectus untrue or which requires the making of any changes in such registration statement, prospectus, issuer free writing prospectus or documents so that they will not contain any untrue statement of a material fact or omit to state any material fact required

to be stated therein or necessary to make the statements therein not misleading, and, as promptly as practicable thereafter, prepare and file with the SEC and furnish a supplement or amendment to such prospectus or additional issuer free writing prospectus so that, as thereafter deliverable to the purchasers of such Registrable Securities, such prospectus will not contain any untrue statement of a material fact or omit a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) permit any selling Holder, which in such Holder's sole and exclusive judgment, might reasonably be deemed to be an underwriter or a controlling person of the Company, to participate in the preparation of such registration or comparable statement and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such Holder and its counsel should be included;

(viii) make reasonably available members of management of the Company, as selected by the Holders of a majority of the Registrable Securities included in such registration, for assistance in the selling effort relating to the Registrable Securities covered by such registration, including, but not limited to, the participation of such members of the Company's management in live or recorded road show presentations;

(ix) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, including the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder, and make generally available to the Company's security holders an earnings statement satisfying the provisions of Section 11(a) of the Securities Act no later than ninety (90) days after the end of the twelve (12) month period beginning with the first day of the Company's first fiscal quarter commencing after the effective date of a registration statement, which earnings statement shall cover said twelve (12) month period, and which requirement will be deemed to be satisfied if the Company timely files complete and accurate information on Forms 10-Q, 10-K and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act;

(x) if requested by the managing underwriter or any seller promptly incorporate in a prospectus supplement or post-effective amendment or prepare an issuer free writing prospectus including such information as the managing underwriter or any seller reasonably requests to be included therein, including, without limitation, with respect to the Registrable Securities being sold by such seller, the purchase price being paid therefor by the underwriters and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering, and promptly make all required filings of such prospectus supplement or post-effective amendment or issuer free writing prospectus;

(xi) as promptly as practicable after filing with the SEC of any document which is incorporated by reference into a registration statement (in the form in which it was incorporated), deliver a copy of each such document to each seller unless available on the SEC's Electronic Data Gathering and Retrieval System (EDGAR) or any successor system;

(xii) cooperate with the sellers and the managing underwriter to facilitate the timely preparation and delivery of certificates (which shall not bear any restrictive legends unless required under applicable law) representing securities sold under any registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or such sellers may request and keep available and make available to the Company's transfer agent prior to the effectiveness of such registration statement a supply of such certificates;

(xiii) promptly make available for inspection by any seller, any underwriter participating in any disposition pursuant to any registration statement, and any attorney, accountant or other agent or representative retained by any such seller or underwriter (collectively, the "**Inspectors**"), all financial and other records, pertinent corporate documents and properties of the Company, as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information requested by any such Inspector in connection with such registration statement;

(xiv) furnish to each seller and underwriter a signed counterpart of (A) an opinion or opinions of counsel to the Company, and (B) a comfort letter or comfort letters from the Company's independent registered public accountants, each in customary form and covering such matters of the type customarily covered by opinions or comfort letters, as the case may be, as the sellers or managing underwriter reasonably requests (each such opinion and comfort letter to be addressed to both the seller and underwriter, if reasonably possible);

(xv) use its reasonable best efforts to cause the Registrable Securities included in any registration statement to be listed on each securities exchange, if any, on which similar securities issued by the Company are then listed;

(xvi) provide a transfer agent and registrar for all Registrable Securities registered hereunder;

(xvii) cooperate with each seller and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the Financial Industry Regulatory Authority;

(xviii) during the period when the prospectus is required to be delivered under the Securities Act, promptly file all documents required to be filed with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act;

(xix) notify each seller of Registrable Securities promptly of any request by the SEC for the amending or supplementing of such registration statement or prospectus or for additional information;

(xx) enter into such agreements (including underwriting agreements in the managing underwriter's customary form) as are customary in connection with an underwritten registration;

(xxi) advise each seller of such Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the SEC suspending the effectiveness of such registration statement or the initiation or threatening of any proceeding for such purpose and promptly use its reasonable best efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued; and

(xxii) use its best efforts to take all other steps necessary to effect the registration of the Registrable Securities covered by the registration statement.

2.6. Suspension of Dispositions. Each Holder agrees by acquisition of any Registrable Securities that, upon receipt of any notice (a "**Suspension Notice**") from the Company of the happening of any event of the kind described in Section 2.5(vi)(C) such Holder will forthwith discontinue disposition of Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus, or until it is advised in writing (the "**Advice**") by the Company that the use of the prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in the prospectus, and, if so directed by the Company, such Holder will deliver to the Company all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice (any such period during which disposition of Registrable Securities is suspended, a "**Suspension Period**"). In the event the Company shall give any such notice, the time period regarding the effectiveness of registration statements set forth in Sections 2.5(ii) and 2.5(iii) hereof shall be extended by the number of days during the period from and including the date of the giving of the Suspension Notice to and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus or the Advice. The Company shall use its reasonable best efforts and take such actions as are reasonably necessary to render the Advice as promptly as practicable.

2.7. Registration Expenses.

2.7.1 Demand Registrations. All reasonable, out-of-pocket fees and expenses incident to any Demand Registration including, without limitation, the Company's performance of or compliance with this Article 2, all registration and filing fees, all fees and expenses associated with filings required to be made with the Financial Industry Regulatory Authority ("**FINRA**"), as may be required by the rules and regulations of the FINRA, fees and expenses of compliance with securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the Registrable Securities), rating agency fees, printing expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with the Depository Trust Company and of printing prospectuses if the printing of prospectuses is requested by a Holder of Registrable Securities), messenger and delivery expenses, the fees and expenses incurred in connection with any listing or quotation of the Registrable Securities, fees and expenses of counsel for the Company and its independent certified public accountants (including the expenses of any special audit or "cold comfort" letters required by or incident to such performance), the fees and expenses of any special experts retained by the Company in connection with such registration and any underwriting discounts, commissions or fees attributable to the sale of the Registrable Securities will be borne by the

Holders participating in such Demand Registration pro rata on the basis of the number of shares so sold.

2.7.2 Piggyback Registrations. All fees and expenses incident to any Piggyback Registration including, without limitation, the Company's performance of or compliance with this Article 2, all registration and filing fees, all fees and expenses associated with filings required to be made with the FINRA, as may be required by the rules and regulations of the FINRA, fees and expenses of compliance with securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the Registrable Securities), rating agency fees, printing expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with the Depository Trust Company and of printing prospectuses), messenger and delivery expenses, the fees and expenses incurred in connection with any listing or quotation of the Registrable Securities, fees and expenses of counsel for the Company and its independent certified public accountants (including the expenses of any special audit or "cold comfort" letters required by or incident to such performance), the fees and expenses of any special experts retained by the Company in connection with such registration, and any underwriting discounts, commissions or fees attributable to the sale of the Registrable Securities will be borne by the Holders participating in the Piggyback Registration pro rata on the basis of the number of shares so sold.

2.8. Indemnification.

2.8.1 The Company will indemnify and hold harmless each seller of Registrable Securities and, in the case of an underwritten offering, each underwriter, their respective partners, members, directors, officers, affiliates and each person, if any, who controls such seller or underwriter, as applicable, within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any losses, claims, damages or liabilities, joint or several, to which such seller may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement, prospectus, preliminary prospectus or any issuer free writing prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and will reimburse such seller for any legal or other expenses reasonably incurred by such seller in connection with investigating or defending any loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not such seller is a party thereto), whether threatened or commenced, and in connection with the enforcement of this provision with respect to any of the above as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any such seller relating to such seller specifically for use therein; provided, the liability of each such seller of Registrable Securities will be in proportion to, and will be limited to, the net amount received by such seller from the sale of Registrable Securities pursuant to such registration statement; provided, however, that such seller of Registrable Securities shall not be liable in any such case to the extent that prior to the filing of any such registration statement or

prospectus or amendment thereof or supplement thereto, such seller has furnished in writing to the Company information expressly for use in such registration statement or prospectus or any amendment thereof or supplement thereto which corrected or made not misleading information previously furnished to the Company.

Insofar as the foregoing indemnity agreement may permit indemnification for liabilities under the Securities Act of any person who is an underwriter or a partner or controlling person of an underwriter within the meaning of Section 15 of the Securities Act and who, at the date of this Agreement, is a director, officer or controlling person of the Company or New Mountain Finance Holdings, L.L.C., the Company has been advised that in the opinion of the SEC such provisions may contravene federal public policy as expressed in the Securities Act and may therefore be unenforceable. In the event that a claim for indemnification under such agreement for

any such liabilities (except insofar as such agreement provides for the payment by the Company of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by such a person, the Company will submit to a court of appropriate jurisdiction (unless in the opinion of counsel for the Company the matter has already been settled by controlling precedent) the question of whether or not indemnification by it for such liabilities is against public policy as expressed in the Securities Act and therefore unenforceable, and the Company will be governed by the final adjudication of such issue.

2.8.2 Each seller of Registrable Securities will severally and not jointly indemnify and hold harmless the Company, each of its directors and each of its officers who signs a Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any losses, claims, damages or liabilities to which such indemnified party may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement, prospectus, preliminary prospectus or any issuer free writing prospectus or arise out of or are based upon the omission or the alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such seller relating to such seller specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any such loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not such indemnified party is a party thereto), whether threatened or commenced, based upon any such untrue statement or omission, or any such alleged untrue statement or omission as such expenses are incurred.

2.8.3 Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under Section 2.8.1 or Section 2.8.2 above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under Section 2.8.1 or Section 2.8.2 above except to the extent that it has been materially prejudiced (through the

forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under Section 2.8.1 or Section 2.8.2 above. In case any such action is brought against any indemnified party and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section 2.8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

2.8.4 If the indemnification provided for in this Section 2.8 is unavailable or insufficient to hold harmless an indemnified party under Section 2.8.1 or Section 2.8.2 above although applicable in accordance with its terms, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in Section 2.8.1 or Section 2.8.2 above (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative faults referred to in clause (i) above but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other as well as any other relevant equitable considerations. In connection with any registration statement filed with the SEC by the Company, the relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The relative benefits received by the indemnifying party on the one hand and the indemnified party on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of securities registered thereunder (before deducting expenses) received by the indemnifying party bear to the aggregate public offering price of the securities registered thereunder. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this Section 2.8.4 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this Section 2.8.4. Notwithstanding the provisions of this Section 2.8.4, no Holder shall be required to contribute an amount greater than the dollar amount by which the net proceeds received by such Holder with respect to the sale of any Registrable Securities exceeds the amount of damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement

or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this Section 2.8.4 to contribute shall be several in proportion to the amount of Registrable Securities registered by them and not joint.

If indemnification is available under this Section 2.8, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Section 2.8.1 and Section 2.8.2 without regard to the relative fault of said indemnifying party or indemnified party or any other equitable consideration provided for in this Section 2.8.4 subject, in the case of the Holders, to the limited dollar amounts set forth in Section 2.8.2.

2.8.5 The indemnification and contribution provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director, or controlling Person of such indemnified party and will survive the transfer of securities.

2.9. Transfer of Registration Rights. Any of the rights and obligations of Finance AIV Holdings or New Mountain Finance Advisers or any Holder under this Agreement may be assigned, in the discretion of Finance AIV Holdings or New Mountain Finance Advisers or any such Holder, without the consent of the Company, to any Person (i) to whom Finance AIV Holdings or New Mountain Finance Advisers or any Holder sells, exchanges or otherwise transfers Registrable Securities or Membership Units and (ii) who agrees in writing to be subject to and bound by all the terms and conditions of this Agreement.

2.10. Rule 144. The Company will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, will, upon the request of the Holders, make publicly available other information) and will take such further action as the Holders may reasonably request, all to the extent required from time to time to enable the Holders to sell the Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the reasonable request of any Holder, the Company will deliver to such parties a written statement as to whether it has complied with such requirements and will, at its expense, forthwith upon the request of any such Holder, deliver to such Holder a certificate, signed by the Company's principal financial officer, stating (a) the Company's name, address and telephone number (including area code), (b) the Company's Internal Revenue Service identification number, (c) the Company's SEC file number, (d) the number of shares of each class of capital stock outstanding as shown by the most recent report or statement published by the Company, and (e) whether the Company has filed the reports required to be filed under the Exchange Act for a period of at least ninety (90) days prior to the date of such certificate and in addition has filed the most recent annual report required to be filed thereunder.

2.11. Preservation of Rights. The Company will not (i) grant any registration rights to third parties which are more favorable than or inconsistent with the rights granted hereunder or (ii) enter into any agreement, take any action, or permit any change to occur, with respect to its

securities that violates or subordinates the rights expressly granted to the Holders in this Agreement.

ARTICLE 3
MISCELLANEOUS

3.1. Notices. Any notice, instruction, direction or demand required under the terms of this Agreement shall be in writing and shall be duly given upon delivery, if delivered by hand, facsimile transmission or mail (with postage prepaid), to the following addresses:

If to the Company, to:

New Mountain Finance Corporation
787 7th Avenue, 48th Floor
New York, New York 10019
(212) 720-0300
Fax: 646-224-8942

If to Finance AIV Holdings or New Mountain Finance Advisers, to:

c/o New Mountain Capital, L.L.C.
787 7th Avenue, 49th Floor
New York, New York 10019
(212) 720-0300
Fax: 646-224-8942

With a copy to (which shall not constitute notice):

Stuart H. Gelfond
Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Fax: 212-859-4000

or to such other addresses or telecopy numbers as may be specified by like notice to the other parties.

If to any other Holder, the address indicated for such Holder in the Company's stock transfer records with copies, so long as Finance AIV Holdings or New Mountain Finance Advisers owns any Registrable Securities or Membership Units, to c/o New Mountain Capital, L.L.C. as provided above.

Any notice or communication hereunder shall be deemed to have been given or made as of the date so delivered if personally delivered; when answered back, if telexed; when receipt is acknowledged, if telecopied; and five (5) calendar days after mailing if sent by registered or certified mail (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee).

Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

3.2. Authority. Each of the parties hereto represents on behalf of itself as follows: (i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, (ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

3.3. Governing Law.

3.3.1 This Agreement is to be construed in accordance with and governed by the internal laws of the State of New York without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of New York to the rights and duties of the parties.

3.3.2 Each party hereby irrevocably and unconditionally consents to submit to the sole and exclusive jurisdiction of the United States District Court for the Southern District of New York or, if such court does not have jurisdiction, the Supreme Court of the State of New York sitting in New York County (the "**New York Courts**") for any legal action or other legal proceeding arising out of or relating to this Agreement, or the negotiation, validity or performance of this Agreement, or the transactions contemplated thereby (and agrees not to commence any legal action or other legal proceeding relating thereto except in such courts), including to enforce any settlement, order or award. Each party hereto:

(i) consents to service of process in any such proceeding in any manner permitted by the laws of the State of New York, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 3.1 is reasonably calculated to give actual notice;

(ii) agrees that the New York Courts shall be deemed to be a convenient forum; and

(iii) waives and agrees not to assert (by way of motion, as a defense or otherwise), in any such legal proceeding commenced in the New York Courts that such party is not subject personally to the jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court.

3.3.3 In the event of any action or other proceeding relating to this Agreement or the enforcement of any provision of this Agreement, the prevailing party (as determined by the court) shall be entitled to payment by the non-prevailing party of all costs and expenses (including reasonable attorneys' fees) incurred by the prevailing party, including any costs and

expenses incurred in connection with any challenge to the jurisdiction or the convenience or propriety of venue of proceedings before the New York Courts.

3.3.4 Each of the parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any legal action or other legal proceeding directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated hereby. Each of the parties hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers set forth in this Section 3.3.4.

3.4. Remedies. Each Holder, in addition to being entitled to exercise all rights provided to it herein or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive in any action for specific performance the defense that a remedy at law would be adequate.

3.5. Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding upon and benefit the Company, each Holder, and their respective successors and assigns.

3.6. Severability. If any terms or other provision of this Agreement shall be determined by a court, administrative agency or arbitrator to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not render the entire Agreement invalid. Rather, this Agreement shall be construed as if not containing the particular invalid, illegal or unenforceable provision, and all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either party. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent permitted under applicable law.

3.7. Waivers. A provision of this Agreement may be waived only by a writing signed by the party or parties intended to be bound by the waiver. A Holder may waive a provision of this Agreement that relates exclusively to their rights, remedies or conditions under this Agreement that does not affect, directly or indirectly, the rights of other Holders. The Holders of the majority of the then outstanding Registrable Securities may waive any provision of this Agreement so long as any Holder that does not approve of such waiver is not affected by such waiver in a manner materially worse than the approving Holders. A party is not prevented from enforcing any right, remedy or condition in the party's favor because of any failure or delay in exercising any right or remedy or in requiring satisfaction of any condition, except to the extent that the party specifically waives the same in writing. A written waiver given for one matter or occasion is effective only in that instance and only for the purpose stated. A waiver once given

is not to be construed as a waiver for any other matter or occasion. Any enumeration of a party's rights and remedies in this Agreement is not intended to be exclusive, and a party's rights and remedies are intended to be cumulative to the extent permitted by law and include any rights and remedies authorized in law or in equity.

3.8. Amendment. This Agreement may not be amended or modified in any respect except by a written agreement signed by the Company, Finance AIV Holdings (so long as Finance AIV Holdings owns any Registrable Securities or Membership Units), New Mountain Finance Advisers (so long as New Mountain Finance Advisers owns any Registrable Securities or Membership Units) and the Holders of a majority of the then outstanding Registrable Securities.

3.9. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same agreement. This Agreement may be executed by facsimile signature.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

NEW MOUNTAIN FINANCE CORPORATION

By: _____
Name:
Title:

NEW MOUNTAIN FINANCE AIV HOLDINGS CORPORATION

By: _____
Name:
Title:

NEW MOUNTAIN FINANCE ADVISERS BDC, L.L.C.

By: _____
Name:
Title:

PublicCo Holders

Steven B. Klinsky

Steven B. Klinsky Trust

[Signature page for Registration Rights Agreement Equity)]

Exhibit (k)(4)

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (the "Agreement") is made as of the date set forth below, by and between New Mountain Finance Corporation, a Delaware corporation (the "Company"), and the person ("Indemnitee") listed on the signature page hereof.

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company as a director.

WHEREAS, the Amended and Restated Bylaws of the Company (the "Governing Document") provides current and former directors and officers of the Company certain rights to indemnification and advancement of expenses.

WHEREAS, Indemnitee wishes to ensure that the rights to indemnification and advancement of expenses to which Indemnitee is currently entitled under the Governing Document will not be eliminated, diminished or otherwise adversely affected without Indemnitee's consent.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee to the fullest extent provided in, and on the terms and conditions set forth in, the Governing Document as in effect on the date this Agreement is executed by Indemnitee and the Company, so that such contractual obligations shall not be adversely affected by subsequent amendments to the Governing Document.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve the Company in the office or directorship listed below his or her name on the signature page hereof (the "Post"). Indemnitee may at any time and for any reason resign from such Post (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such Post. This Agreement shall not be deemed an employment contract between Indemnitee and the Company (or any other entity of which Indemnitee is or was serving in any capacity at the request of the Company). The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve in the Post for any reason, as set forth in Governing Document.

Section 2. Right to Indemnification and Advancement of Expenses. Indemnitee shall be indemnified and advanced expenses to the fullest extent provided in, and upon the terms and conditions set forth in, Article V of the Governing Document as such Article

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is in effect as of the date of this Agreement, and such Article is hereby incorporated into this Agreement by reference thereto. In addition to the foregoing provision, in the event the Governing Document is amended following the date of this Agreement to increase or otherwise enhance the rights of any current or former director or officer of the Company to indemnification or advancement of expenses, Indemnitee shall be entitled to such increased or enhanced rights to the same extent as such current or former director or officer. For the avoidance of doubt, in the event the Governing Document is amended following the date of this Agreement to decrease or otherwise limit the rights of any indemnification or advancement of expenses for a current or former director or office of the Company, Indemnitee shall continue to be entitled to the same indemnification and advancement rights as Indemnitee is entitled to under this Agreement on the date of this Agreement. Notwithstanding the foregoing, for so long as the Company is subject to the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Company Act"), the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as expenses hereunder if and to the extent that such indemnification or payment or reimbursement of expenses would not be permissible under the Investment Company Act.

Section 3. Non-exclusivity; Survival of Rights. The rights of indemnification and advancement of expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Amended and Restated Certificate of Incorporation of the Company, the Amended and Restated Bylaws of the Company, any other agreement, a vote of stockholders or a resolution of directors, or otherwise.

Section 4. Amendment and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 5. Applicable Law and Forum Selection. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules, and the Investment Company Act. To the extent the applicable laws of the State of Delaware or any applicable provision of this Agreement shall conflict with the applicable provisions of the Investment Company Act, the later shall control. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, Corporation Service Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of

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venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year set forth below.

New Mountain Finance Corporation

By: _____

Its: _____

_____

Name:
Office:

DATE: _____

Exhibit (k)(5)

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (the "Agreement") is made as of the date set forth below, by and between New Mountain Finance Holdings, L.L.C., a Delaware corporation (the "Company"), and the person ("Indemnitee") listed on the signature page hereof.

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company as a director.

WHEREAS, the Amended and Restated Limited Liability Company Agreement of the Company (the "Governing Document") provides current and former directors and officers of the Company certain rights to indemnification and advancement of expenses.

WHEREAS, Indemnitee wishes to ensure that the rights to indemnification and advancement of expenses to which Indemnitee is currently entitled under the Governing Document will not be eliminated, diminished or otherwise adversely affected without Indemnitee's consent.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee to the fullest extent provided in, and on the terms and conditions set forth in, the Governing Document as in effect on the date this Agreement is executed by Indemnitee and the Company, so that such contractual obligations shall not be adversely affected by subsequent amendments to the Governing Document.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve the Company in the office or directorship listed below his or her name on the signature page hereof (the "Post"). Indemnitee may at any time and for any reason resign from such Post (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such Post. This Agreement shall not be deemed an employment contract between Indemnitee and the Company (or any other entity of which Indemnitee is or was serving in any capacity at the request of the Company). The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve in the Post for any reason, as set forth in Governing Document.

Section 2. Right to Indemnification and Advancement of Expenses. Indemnitee shall be indemnified and advanced expenses to the fullest extent provided in, and upon the terms and conditions set forth in, Section 4.8 of the Governing Document as such

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Section is in effect as of the date of this Agreement, and such Section is hereby incorporated into this Agreement by reference thereto. In addition to the foregoing provision, in the event the Governing Document is amended following the date of this Agreement to increase or otherwise enhance the rights of any current or former director or officer of the Company to indemnification or advancement of expenses, Indemnitee shall be entitled to such increased or enhanced rights to the same extent as such current or former director or officer. For the avoidance of doubt, in the event the Governing Document is amended following the date of this Agreement to decrease or otherwise limit the rights of any indemnification or advancement of expenses for a current or former director or office of the Company, Indemnitee shall continue to be entitled to the same indemnification and advancement rights as Indemnitee is entitled to under this Agreement on the date of this Agreement. Notwithstanding the foregoing, for so long as the Company is subject to the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Company Act"), the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as expenses hereunder if and to the extent that such indemnification or payment or reimbursement of expenses would not be permissible under the Investment Company Act.

Section 3. Non-exclusivity; Survival of Rights. The rights of indemnification and advancement of expenses provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Amended and Restated Limited Liability Company Agreement of the Company, any other agreement, a vote of members or a resolution of directors, or otherwise.

Section 4. Amendment and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 5. Applicable Law and Forum Selection. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules, and the Investment Company Act. To the extent the applicable laws of the State of Delaware or any applicable provision of this Agreement shall conflict with the applicable provisions of the Investment Company Act, the later shall control. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, Corporation Service Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and

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agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year set forth below.

New Mountain Finance Holdings, L.L.C.

By: _____

Its: _____

_____

Name:
Office:

DATE: _____

Exhibit (k)(6)

New Mountain Finance Holdings, L.L.C.
787 7th Avenue, 48th Floor
New York, NY 10019

, 2011

New Mountain Finance Advisers BDC, L.L.C.
787 7th Avenue, 48th Floor
New York, NY 10019
Attention: Steven B. Klinsky

Ladies and Gentlemen:

Reference is hereby made to the Investment Advisory and Management Agreement (the "Investment Management Agreement") by and between New Mountain Finance Holdings, L.L.C., a Delaware limited liability company (the "Company"), and New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company (the "Adviser"), dated , 2011.

In event that the Investment Management Agreement is terminated for any reason, both the Company and the Adviser agree that the Lock-Up Period under Section 4(b) of the Investment Management Agreement will expire on the termination of the Investment Management Agreement.

[Remainder of Page Left Intentionally Blank.]

Please confirm your agreement with the foregoing by signing and returning one copy of this letter agreement to the undersigned, whereupon this letter agreement shall become a binding agreement between you and the Company.

Very truly yours,

New Mountain Finance Holdings, L.L.C.

By: _____
Name: Robert A. Hamwee
Title: Chief Executive Officer and President

Accepted and agreed as of
the date first written above:

New Mountain Finance Advisers BDC, L.L.C.

By: New Mountain Capital Group, L.L.C.
Its: Managing Member

By: _____
Name: Steven B. Klinsky
Title: Sole Member

[Signature Page to Letter Agreement Regarding Termination of Lock-Up]

Exhibit (l)

May 9, 2011

New Mountain Finance Corporation
787 7th Avenue, 48th Floor
New York, NY 10019

RE: Registration Statement on Form N-2, File No. 333-168280 (the "Registration Statement")

Ladies and Gentlemen:

We have acted as counsel for New Mountain Finance Corporation, a Delaware corporation (the "Company"), in connection with the underwritten initial public offering (the "Offering") of shares of common stock, par value $0.01 per share, of the Company (the "Shares") by the Company, including Shares which may be offered and sold upon the exercise of the option granted to the underwriters by the Company to purchase additional shares (the "Optional Shares" and, together with the Shares, the "Offered Shares"). The Offered Shares are to be offered to the public pursuant to an underwriting agreement to be entered into among the Company, New Mountain Finance Holdings, L.L.C., New Mountain Finance Advisers BDC, L.L.C., New Mountain Finance Administration, L.L.C. and Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley and Co. Incorporated as representatives of the underwriters (the "Underwriting Agreement"). With your permission, all assumptions and statements of reliance set forth herein have been made without any independent investigation or verification on our part except to the extent otherwise expressly stated, and we express no opinion with respect to the subject matter or accuracy of such assumptions or items relied upon.

In connection with this opinion, we have (i) investigated such questions of law, (ii) examined the originals or certified, conformed or reproduction copies of such agreements, instruments, documents and records of the Company, such certificates of public officials and such other documents and (iii) received such information from officers and representatives of the Company and others, in each case, as we have deemed necessary or appropriate for the purposes of this opinion.

In all such examinations, we have assumed the legal capacity of all natural persons, the genuineness of all signatures (including consents by electronic transmission), the authenticity of original and certified documents and the conformity

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to original or certified documents of all copies submitted to us as conformed or reproduction copies. As to various questions of fact relevant to the opinions expressed herein, we have relied upon, and assume the accuracy of, representations and warranties contained in the documents and certificates and oral or written statements and other information of or from representatives of the Company and others and assume compliance on the part of all parties to the documents with their covenants and agreements contained therein.

Based upon the foregoing and subject to the limitations, qualifications and assumptions set forth herein, we are of the opinion that the Shares and the Optional Shares registered pursuant to the Registration Statement to be sold by the Company (when issued, delivered and paid for in accordance with the Registration Statement and the Underwriting Agreement) will be duly authorized, validly issued, fully paid and nonassessable.

The opinions expressed herein are limited to the laws of the General Corporation Law of the State of Delaware, as currently in effect, together with applicable provisions of the Constitution of Delaware and relevant decisional law, and no opinion is expressed with respect to any other laws or any effect that such other laws may have on the opinions expressed herein. To the extent such opinions contain assumptions, conditions, or qualifications, we are incorporating such assumptions, conditions and qualifications herein. The opinions expressed herein are limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated herein. The opinions expressed herein are given as of the date of effectiveness of the Registration Statement, and we undertake no obligation to supplement this letter if any applicable laws change after that date or if we become aware of any facts that might change the opinions expressed herein or for any other reason.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the prospectus that is included in the Registration Statement. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP

QuickLinks -- Click here to rapidly navigate through this document

Exhibit (n)(2)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Pre-Effective Amendment to Registration Statement No. 333-168280 and 333-172503 on Form N-2 of our report dated February 25, 2011 (March 28, 2011 as to Note 12), relating to the combined financial statements of New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P. appearing in the Prospectus, which is part of such Registration Statement, and to our report dated March 28, 2011, relating to the information as of December 31, 2010 and 2009 included in the "Senior Securities" table, appearing elsewhere in this Registration Statement.

We also consent to the reference to us under the headings "Senior Securities" and "Independent Registered Public Accounting Firm" in such Prospectus.

/s/ Deloitte and Touche LLP

New York, New York
May 9, 2011

QuickLinks

Exhibit (n)(3)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of New Mountain Guardian (Leveraged), L.L.C. and
To the Partners of New Mountain Guardian Partners, L.P.:

We have audited the combined statements of assets, liabilities and capital, including the combined schedules of investments, of New Mountain Guardian (Leveraged), L.L.C. and New Mountain Guardian Partners, L.P. (the "Entities"), as of December 31, 2010, and 2009, and the related combined statements of operations, changes in capital, and cash flows for the years ended December 31, 2010 and 2009 and for the period October 29, 2008 (commencement of operations) to December 31, 2008, and have issued our report dated February 25, 2011 (March 28, 2011 as to Note 12) (included elsewhere in this Registration Statement). Our audit also included the information as of December 31, 2010 and 2009, appearing under the caption "Senior Securities" on page 110 of the Prospectus. This information is the responsibility of the Entities management. Our responsibility is to express an opinion based on our audits. In our opinion, the information as of December 31, 2010 and 2009, appearing under the caption "Senior Securities" on page 110 of the Prospectus, when considered in relation to the basic financial statements taken as a whole, is presented fairly in all material respects.

/s/ Deloitte and Touche LLP

New York, New York
March 28, 2011

QuickLinks

Exhibit (p)

FORM OF SUBSCRIPTION AGREEMENT

Board of Directors
New Mountain Finance Corporation
787 7th Avenue, 48th Floor
New York, NY 10019

[ ], 2011

Ladies and Gentlemen:

In connection with a proposed purchase from New Mountain Finance Corporation (the "Company") of shares of common stock, par value $0.01 per share, of the Company (the "Common Stock"), the undersigned (the "Investor") hereby confirms, certifies and agrees as follows:

I. Irrevocable Subscription for Shares

A. The Investor irrevocably subscribes for and agrees to purchase from the Company shares of Common Stock (the "Shares"). The Investor agrees to and understands the terms and conditions upon which the Shares are being offered. The price per Share to be paid by the Investor shall be the initial public offering price per share of Common Stock to be paid by investors in the Company's initial public offering ("IPO") for a total subscription amount of $ (the "Subscription Amount").

B. The Investor understands and agrees that the Company reserves the right to accept or reject the Investor's subscription for the Shares for any reason or for no reason, in whole or in part, at any time prior to its acceptance by the Company, and the same shall be deemed to be accepted by the Company only when this Subscription Agreement is signed by a duly authorized person by or on behalf of the Company. In the event of rejection of the entire subscription, the Investor's Subscription Amount will be returned promptly to the Investor along with this Subscription Agreement, and this Subscription Agreement shall have no force or effect.

II. Payment by the Investor and Issuance of Shares

Concurrently with the closing of the sale by the Company of common stock in the IPO, the Investor will pay the Subscription Amount, representing payment in full for the Shares by the Investor pursuant to this Subscription Agreement, and the Company will issue the Shares to and in the name of the Investor in the account designated by the Investor.

III. Representations and Covenants of the Investor

The Investor understands that the Shares are being sold in reliance upon the exemption from registration provided in Section 4(2) of the Securities Act of 1933, as amended (the Board of Directors "Securities Act") and Regulation D thereunder for transactions involving limited offers and sales, and the Investor makes the following representations, declarations and warranties:

A. The Investor is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act, as noted on Attachment A entitled "Eligibility Representations of

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the Investor" following the signature page to this Subscription Agreement. The Investor fully understands that the Shares are being offered in a transaction not involving any public offering within the United States within the meaning of the Securities Act and that the Shares have not been registered under the Securities Act or any state securities laws and, unless so registered, may not be sold except in accordance with the Securities Act (a) pursuant to a registration statement that has been declared effective under the Securities Act; or (b) pursuant to an available exemption from the registration requirements of the Securities Act. The Investor understands that the registrar and transfer agent for the Shares will not be required to accept for registration or transfer any Shares acquired by the Investor except upon presentation of evidence, satisfactory to the Company and the transfer agent, that the proposed transfer complies with the foregoing. The Investor further understands that any certificates representing Shares acquired by the Investor will bear a legend reflecting the substance of this paragraph.

B. The Investor has consulted with, as deemed appropriate, his or her attorney, accountant or investment advisor with respect to the investment contemplated hereby and its suitability for the Investor. The Investor acknowledges that in making a decision to subscribe for the Shares the Investor has relied solely upon the independent investigations made by the Investor. The Investor is aware and acknowledges that the Company has been recently formed and has no operating history. The Investor's investment in the Shares is consistent with the investment purposes and objectives and cash flow requirements of the Investor and will not adversely affect the Investor's overall need for diversification and liquidity.

C. The Investor has received such information as the Investor deems necessary in order to make an investment decision with respect to the Shares. The Investor represents and agrees that prior to the Investor's agreement to purchase the Shares, the Investor and the Investor's advisor or advisors, if any, have asked such questions, received such answers and obtained such information as the Investor deemed relevant to making an investment in the Shares. The Investor became aware of the offering of the Shares solely by means of direct contact between the Investor and the Company on an unsolicited basis. The Investor did not become aware of, nor were the Shares offered to the Investor by, any other means including, in each case, by any form of general solicitation or general advertising. In making the decision to purchase the Shares, the Investor relied solely on information obtained by the Investor directly from the Company as a result of any inquiries by the Investor.

D. The Investor has such knowledge and experience in financial and business matters so that the Investor is capable of evaluating the merits and risks of the Investor's investment in the Shares and is able to bear such risks and has obtained, in the Investor's judgment, sufficient information from the Company or its authorized representative to evaluate the merits and risks of such investment. The Investor has evaluated the risks of investing in the Shares and has determined that the Shares are a suitable investment for the Investor.

E. The Investor is acquiring the Shares subscribed for herein for its own account and not for the account of others, for investment purposes only and not with a view to distribute or resell such Shares in whole or in part.

F. The Investor agrees and is aware that no federal or state agency has passed upon the Shares or made any findings or determination as to the fairness of this investment.

G. The Investor understands that there is no established market for the Shares and that no public market for the Shares may develop.

H. The execution, delivery and performance by the Investor of this Subscription Agreement will not constitute or result in a breach of or default under or conflict with any order, ruling or regulation of any court or other tribunal or of any governmental commission or agency or with any agreement or

other undertaking to which the Investor is a party or by which the Investor is bound. The signature on this Subscription Agreement is genuine, and the Investor has legal competence and capacity to execute the same, and this Subscription Agreement constitutes a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms.

I. The Investor represents that neither it nor, to its knowledge, any person or entity controlling, controlled by or under common control with it, nor any person having a beneficial interest in it, nor any person on whose behalf the Investor is acting: (i) is a person listed in the Annex to Executive Order No. 13224 (2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism); (ii) is named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control; (iii) is a non-U.S. shell bank or is providing banking services indirectly to a non-U.S. shell bank; (iv) is a senior non-U.S. political figure or an immediate family member or close associate of such figure; or (v) is otherwise prohibited from investing in the Company pursuant to applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules or orders (categories (i) through (v), each a "Prohibited Investor"). The Investor agrees to provide the Company, promptly upon request, all information that the Company reasonably deems necessary or appropriate to comply with applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders. The Investor consents to the disclosure to U.S. regulators and law enforcement authorities by the Company and its affiliates and agents of such information about the Investor as the Company reasonably deems necessary or appropriate to comply with applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders. The Investor acknowledges that if, following its investment in the Company, the Company reasonably believes that the Investor is a Prohibited Investor or is otherwise engaged in suspicious activity or refuses to provide promptly information that the Company requests, the Company has the right or may be obligated to prohibit additional investments, segregate the assets constituting the investment in accordance with applicable regulations or immediately require the Investor to transfer the Shares. The Investor further acknowledges that the Investor will have no claim against the Company or any of its affiliates or agents for any form of damages as a result of any of the foregoing actions.

J. The Investor hereby (i) acknowledges that the Company and others will rely upon the Investor's confirmations, acknowledgments, agreements and binding commitment to purchase Shares, (ii) agrees that the Company is entitled to rely upon this agreement and the terms, representations and warranties hereof; and (iii) authorizes the Company to produce this Agreement or a copy hereof to an interested party in any administrative or legal proceeding or official inquiry with respect to the matter covered hereby.

IV. Lock-Up Agreement

Concurrently with the execution of this Agreement, the Investor agrees to execute and agree to the terms of the lock-up agreement set forth in Exhibit A hereto.

V. General

A. *Indemnification*. The Investor agrees to indemnify and hold harmless the Company and its directors, executive officers and each other person, if any, who control or are controlled by the Company, within the meaning of Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, from and against any and all loss, liability, claim, damage and expense whatsoever (including, without limitation, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon (a) any false, misleading or incomplete representation, declaration or warranty or

breach or failure by the Investor to comply with any covenant or agreement made by the Investor in this Subscription Agreement or (b) any action for securities law violations by the Investor arising out of the foregoing.

B. *Severability*. If any provision of this Subscription Agreement is invalid or unenforceable under any applicable law, then such provision shall be deemed inoperative to the extent that it may conflict therewith. Any provision hereof which may be held invalid or unenforceable under any applicable law shall not affect the validity or enforceability of any other provisions hereof, and to this extent the provisions hereof, shall be severable.

C. *Binding Effect.* This Subscription Agreement shall be binding upon the Investor and the heirs, personal representatives, successors and assigns of the Investor.

D. *Transferability*. Neither this Subscription Agreement nor any rights which may accrue to an Investor hereunder may be transferred or assigned.

E. *Acknowledgement*. The Investor understands and acknowledges that the Investor is purchasing the Shares from the Company and not any other entity or individual. The Investor is aware and agrees that no entity or individual, other than the Company, made any representations, declarations or warranties to the Investor regarding the Company or its offering of the Shares. The Investor further acknowledges and agrees that no entity or individual, other than the Company, made any offer to sell, or solicited any offer to buy, any of the Shares that the Investor proposes to acquire from the Company hereunder.

F. *Choice of Law.* Notwithstanding the place where this Subscription Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be construed in accordance with and governed by the laws of the State of New York, without regard to principles of conflicts of law.

VI. Additional Information and Subsequent Changes in the Foregoing Representations

The Company may request from the Investor such additional information as the Company may deem necessary to evaluate the eligibility of the Investor to acquire the Shares, and may request from time to time such information as the Company may deem necessary to determine the eligibility of the Investor to hold the Shares or to enable the Company to determine the Company's compliance with applicable regulatory requirements or tax status, and the Investor shall provide such information as may reasonably be requested. The Investor agrees to notify the Company promptly if there is any change with respect to any of the information, representations or certifications herein or in Exhibit A hereto and to provide the Company with such further information as the Company may reasonably require.

[*Remainder Of This Page Has Been Intentionally Left Blank*]

Very truly yours,

Date: , 2011

_____

Name

Accepted as of day of , 2011:

NEW MOUNTAIN FINANCE CORPORATION

By: _____
Name:
Title:

Attachment A

ELIGIBILITY REPRESENTATIONS OF THE INVESTOR

ACCREDITED INVESTOR STATUS FOR INDIVIDUALS

(Please check the applicable subparagraphs):

1.	☐	I am a director or executive officer of the Company.
2.	☐	I am a natural person and have a net worth,(1) either alone or with my spouse, of more than $1,000,000 (excluding the value of my primary residence).
3.	☐	I am a natural person and had individual income in excess of $200,000 during each of the previous two years and reasonably expect to have individual income in excess of $200,000 during the current year, or joint income with my spouse in excess of $300,000 during each of the previous two years and reasonably expect to have joint income in excess of $300,000 during the current year.

(1) For purposes of this item, "net worth" means the excess of total assets at fair market value, including home furnishings and automobiles (excluding the value of an investor's primary residence) over total liabilities (excluding the indebtedness secured by the primary residence of the Investor up to its fair market value).

Exhibit A

New Mountain Finance Corporation

Lock-Up Agreement

March , 2011

Goldman, Sachs & Co.
Wells Fargo Securities, LLC
Morgan Stanley & Co. Incorporated

c/o Goldman, Sachs & Co.
200 West Street
New York, NY 10282-2198

Re: New Mountain Finance Corporation - Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that Goldman, Sachs & Co., Wells Fargo Securities, LLC and Morgan Stanley & Co. Incorporated as representatives (the "Representatives"), propose to enter into an Underwriting Agreement on behalf of the several Underwriters named in Schedule I to such agreement (collectively, the "Underwriters"), with New Mountain Finance Corporation, a Delaware corporation (the "Company"), New Mountain Finance Holdings, L.L.C., formerly known as New Mountain Guardian (Leveraged), L.L.C., a Delaware limited liability company ("NMF LLC"), New Mountain Finance Advisers BDC, L.L.C., a Delaware limited liability company, and New Mountain Finance Administration, L.L.C., a Delaware limited liability company, providing for a public offering of the Common Stock of the Company (the "Shares") pursuant to a Registration Statement on Form N-2 to be filed with the Securities and Exchange Commission (the "SEC").

In consideration of the agreement by the Underwriters to offer and sell the Shares, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period specified in the following paragraph (the "Lock-Up Period"), the undersigned will not (i) offer, sell, contract to sell, pledge, grant any option to purchase, exchange, convert, make any short sale or otherwise dispose of any shares of Common Stock of the Company, or any options or warrants to purchase any shares of Common Stock of the Company, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock of the Company, including membership interests in NMF LLC, whether now owned or hereinafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the SEC (collectively the "Undersigned's Shares") or (ii) publicly announce an intention to effect any transaction specified in clause (i). The foregoing restrictions are expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the Undersigned's Shares even if such Shares would be disposed of by someone other than the undersigned. Such prohibited hedging or other transactions would include without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Undersigned's Shares or with respect to any security that includes, relates to, or derives any significant part of its value from such Shares.

The initial Lock-Up Period will commence on the date of this Lock-Up Agreement and continue for 180 days after the public offering date set forth on the final prospectus used to sell the Shares (the "Public Offering Date") pursuant to the Underwriting Agreement; provided, however, that if (1) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or announces material news or a material event or (2) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 15-day period following the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the material news or material event, as applicable, unless the Representatives waive, in writing, such extension.

The undersigned hereby acknowledges that the Company has agreed in the Underwriting Agreement to provide written notice of any event that would result in an extension of the Lock-Up Period pursuant to the previous paragraph to the undersigned (in accordance with Section 14 of the Underwriting Agreement) and agrees that any such notice properly delivered will be deemed to have been given to, and received by, the undersigned. The undersigned hereby further agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this Lock-Up Agreement during the period from the date of this Lock-Up Agreement to and including the 34th day following the expiration of the initial Lock-Up Period, it will give notice thereof to the Company and will not consummate such transaction or take any such action unless it has received written confirmation from the Company that the Lock-Up Period (as such may have been extended pursuant to the previous paragraph) has expired.

Notwithstanding the foregoing, the undersigned may transfer the Undersigned's Shares (i) as a *bona fide* gift or gifts, provided that the donee or donees thereof agree to be bound in writing by the restrictions set forth herein, (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, or (iii) with the prior written consent of the Representatives on behalf of the Underwriters. For purposes of this Lock-Up Agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, notwithstanding the foregoing, if the undersigned is (a) a corporation, limited liability company, partnership (including a limited partnership) or other entity, such corporation, limited liability company, partnership (including a limited partnership) or other entity may transfer the Undersigned's Shares to any wholly-owned subsidiary of such corporation, limited liability company, partnership (including a limited partnership) or other entity; or (b) a limited liability company or partnership (including a limited partnership), such limited liability company or partnership (including a limited partnership) may transfer the Undersigned's Shares to any member or partner of such limited liability company or partnership (including a limited partnership); provided, however, that in any such case, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such Undersigned's Shares subject to the provisions of this Agreement and there shall be no further transfer of such Undersigned's Shares except in accordance with this Agreement, and provided further that any such transfer shall not involve a disposition for value. The undersigned now has, and, except as contemplated by clause (i), (ii), or (iii) above, for the duration of this Lock-Up Agreement will have, good and marketable title to the Undersigned's Shares, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Undersigned's Shares except in compliance with the foregoing restrictions.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns.

Very truly yours,

_____

Exact Name of Shareholder

_____

Authorized Signature

_____

Title

CODE OF ETHICS: GENERAL

I. INTRODUCTION

This Code of Ethics (the "**Code**") has been jointly adopted by New Mountain Finance Advisers BDC, L.L.C. ("**New Mountain**" or the "**Firm**"), and New Mountain Finance Holdings, L.L.C., New Mountain Finance Corporation and New Mountain Finance AIV Holdings Corporation (collectively referred to herein as "**New Mountain BDC**" and each individually a "**Client**", "**Advisory Client**" or a "**Fund**") in order to establish applicable policies, guidelines, and procedures that promote ethical practices and conduct by all New Mountain and New Mountain BDC employees, officers, directors and other persons, and that prevent violations of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and the Investment Company Act of 1940, as amended (the "**Company Act**"). This Code has been adopted by New Mountain and New Mountain BDC in accordance with Rule 17j-1 of the Company Act. All recipients of the Code must read it carefully and should retain a copy for future reference. Additionally, as set forth below, recipients must certify at least annually to New Mountain that he or she has read, understands, is subject to and has complied with the complete *New Mountain Investment Adviser Compliance Manual* (the "**IA Compliance Manual**"), including the Code.

The Code consists of several policies primarily designed to address potential conflicts of interest, including:

- the Personal Investment Policy,
- the Inside Information Policy, and
- the Gifts, Entertainment and Political Contributions Policy.

New Mountain and New Mountain BDC require that all employees, officers and directors (and any Senior Advisor classified as an "access person" for purposes of Advisers Act Rule 204A-1 and Company Act Rule 17j-1) of New Mountain and New Mountain BDC observe the applicable standards of care set forth in these policies and not seek to evade the provisions of the Code in any way, including through indirect acts by family members or other associates.

Further, all activities involving New Mountain BDC are subject to the Company Act and the policies and procedures adopted by New Mountain BDC in connection therewith as set forth in the *New Mountain Finance BDC Compliance Manual* (the "BDC Manual"). The obligations set forth in the Code and the IA Compliance Manual are in addition to, not in lieu of, the policies and procedures set forth in the Firm's Employee Handbook.

General

New Mountain BDC is an Advisory Client of New Mountain Finance Advisers BDC, L.L.C., which operates as a direct lender that has elected to be treated as a business development company under the Company Act. New Mountain BDC targets private debt transactions ranging in size from $10 to $50

million to borrowers principally located in North America. New Mountain BDC's private debt transactions are generally structured to combine elements of both equity and fixed-income investments and may take the form of secured loans to corporate and asset-based borrowers, and may utilize structures such as sale leaseback transactions, direct asset purchases or other hybrid structures that we believe replicate the economics and risk profile of secured loans. New Mountain BDC may also selectively make subordinated debt and equity investments in borrowers to which it has extended secured debt financing.

II. STATEMENT OF STANDARDS OF BUSINESS CONDUCT

As a fundamental mandate, New Mountain demands the highest standards of ethical conduct and care from all of its employees, officers, and directors (together, "**New Mountain Employees**" or "**Employees**"). All New Mountain Employees must abide by this basic business standard and must not take inappropriate advantage of their position with the Firm. Each Employee is under a duty to exercise his or her authority and responsibility for the primary benefit of our Advisory Clients and the Firm and may not have outside interests that inappropriately conflict with the interests of the Firm or of the Firm's clients. Each Employee must avoid circumstances or conduct that adversely affect or that appear to adversely affect New Mountain or New Mountain's clients. Every Employee must comply with applicable federal securities laws and must report violations of the Code to New Mountain's Chief Compliance Officer, Paula Bosco (the "**CCO**").(1)

New Mountain will provide every Employee, and each non-Employee director of New Mountain BDC with a copy of the Code. Employees should maintain a copy of the Code in their personal files for reference purposes. The Code and any amendments are available at all times from the CCO and on the compliance section of the G: drive on New Mountain's internal systems.

III. DEFINITIONS

The capitalized terms below have the given definitions for purposes of the Code and the IA Compliance Manual:

A. "**Access Person**" with respect to New Mountain means (A) any Employee, officer, partner, director or Senior Advisor(2) of New Mountain (or persons with similar consulting roles with respect to New Mountain); (B) any person that provides advice on behalf of New Mountain and is subject to supervision and control of New Mountain; and (C) any New Mountain BDC Director who, in the case of (B), (i) has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any client (including New Mountain BDC); (ii) is involved in making securities recommendations to clients (including New Mountain BDC); or (iii) has access to such recommendations that are nonpublic; and (D) any person with regular or recurring access to the Firm's office, systems and/or facilities, pursuant to a consulting, staffing, office-sharing or similar arrangement, such that they could reasonably be expected to have access to nonpublic information as determined by the CCO.

(1) The CCO has reserved the right to delegate certain compliance-related responsibilities to individuals both inside and outside the Firm. All references to the CCO's responsibilities that are contained in this Manual should be read to include the CCO's qualified designee, where applicable.

(2) The CCO will determine whether a Senior Advisor is an Access Person on a case-by-case basis depending on the Senior Advisor's role and responsibilities with respect to New Mountain, and his or her access to New Mountain's facilities, systems, information and level of involvement in the investment management process.

B. "**Advisory Client**" means any individual, group of individuals, partnership, trust, company or other investment fund entity for whom New Mountain acts as investment adviser. For example, New Mountain BDC is an Advisory Client. For the avoidance of doubt, Advisory Clients include public and private pooled investment vehicles and managed accounts managed by New Mountain, but do not include the individual investors in such funds ("**Investors**"), although certain protections afforded to Advisory Clients pursuant to the Code and the IA Compliance Manual do extend to Investors through Rule 206(4)-8 of the Advisers Act.(3)

C. "**Advisory Person**" shall mean any New Mountain Access Person who, in connection with his or her regular functions or duties: (i) makes any recommendation for the purchase or sale of a security (e.g., Portfolio Manager); (ii) participates in the determination of which recommendation shall be made (e.g., investment analyst); (iii) effects a securities transaction (e.g., operations or Trading personnel); or (iv) has knowledge concerning which securities are being recommended to be purchased or sold (e.g., certain finance and administrative personnel and others who regularly have access to trade blotter information and related documentation).

D. "**Affiliate**" shall mean any company, partnership or other entity that is controlled by or under common control with New Mountain.(4)

E. "**Affiliate Account**" means: (i) the personal securities account of an Employee or the account of any Family Member, as defined herein; (ii) the securities account for which any employee serves as custodian, trustee, or otherwise acts in a fiduciary capacity or with respect to which any such person either has authority to make investment decisions or from time to time makes investment recommendations; and (iii) the securities account of any person, partnership, joint venture, trust or other entity in which an employee or his or her Family Member has "Beneficial Ownership" or other "Beneficial Interest."

F. A security is "**Being Considered for Purchase**" when a recommendation to purchase a security has been made and communicated and, with respect to the person making the recommendation, when such person seriously considers making such a recommendation. In all cases, a security which has been recommended for purchase pursuant to an Investment Committee memorandum, presentation or due diligence package, or other formal Investment Committee recommendation shall be deemed to be a security Being Considered for Purchase.

G. "**Beneficial Interest**" means an interest whereby a person can, directly or indirectly, control the disposition of a security or derive a monetary, pecuniary or other right or benefit from the purchase, sale or ownership of a security (e.g., interest payments or dividends).

H. "**Beneficial Ownership**" of a security or account means, consistent with Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 16a-

(3) Rule 206(4)-8 prohibits advisers of pooled investment vehicles from making false or misleading statements to, or otherwise defrauding, investors or prospective investors in those pooled vehicles.

(4) New Mountain and New Mountain BDC are subject to numerous restrictions with respect to Affiliates as defined in the Company Act. Please refer to the***New Mountain BDC Regulatory Compliance Manual*** for an alternative definition of "Affiliate" pursuant to the Company Act and policies intended to govern the restrictions on affiliate transactions.

1(a)(2) thereunder, ownership of securities or securities accounts, by or for the benefit of a person or his or her Family Members. Beneficial Ownership specifically includes any security or account in which the Employee or any Family Member holds a direct or indirect Beneficial Interest or retains voting power (or the ability to direct such a vote) or investment power (which includes the power to acquire or dispose of, or the ability to direct the acquisition or disposition of, a Security or securities accounts), directly or indirectly (e.g., by exercising a power of attorney or otherwise).

I. **"Compliance Representative"** means a New Mountain Employee or consultant engaged primarily in compliance-related matters or otherwise identified and designated by the CCO to perform compliance-related duties on behalf of the Firm.

J. "**Disinterested Director**" means a New Mountain BDC Director who is not an interested person of New Mountain BDC within the meaning of Section 2(a)(19) of the Company Act.

K. "**Exempt Security**" is any security that falls into any of the following categories: (i) registered open-end mutual fund shares; (ii) security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.); (iii) College Direct Savings Plans (e.g., NY 529 College Savings Program, etc.); (iv) Open-end Unit Investment Trusts that hold securities in proportion to a broad based market index (e.g., QQQ, Spiders); (v) bankers acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vi) treasury obligations (e.g., T-Bills, Notes and Bonds) or other securities issued/guaranteed by the U.S. Government, its agencies, or instrumentalities (e.g., FNMA, GNMA).

L. "**Family Member**" means the spouse, child, parent, sibling or other relative (whether related by blood, marriage or otherwise) of an Employee, who either resides with, or is financially dependent upon the Employee, or whose investments are controlled by that person. The term also includes any unrelated individual whose investments are controlled and whose financial support is materially contributed to by the Employee, such as a domestic partner or spousal equivalent and any person considered a "significant other."

M. "**Investment Committee**" means the group or groups of Advisory Persons, as such committees may be established from time to time, who have primary responsibility and authority for making investment recommendations and decisions for New Mountain on behalf of an Advisory Client.

N. "**Investor Relations Representative**" means a New Mountain Employee or consultant engaged primarily in investor relations matters or otherwise identified and designated by the CCO or Senior Management to perform investor relations-related duties on behalf of the Firm.

O. "**New Mountain BDC Director**" means any person who serves as a director on the board of directors of New Mountain BDC, including Disinterested Directors.

P. "**New Mountain BDC Portfolio Security**" means, with respect to a New Mountain BDC Director, any Security of an issuer in which he or she knows, or, in the course of his or her duties as a Director, should have known, New Mountain BDC has a current

investment or with respect to which a Security is Being Considered for Purchase by New Mountain BDC.

Q. "**Personal Securities Trade**" means a trade in a Security (as defined below) in which an Employee or a Family Member has a Beneficial Ownership or other Beneficial Interest.

R. "**Portfolio Manager"** means the investment staff member(s) with primary investment authority for a particular New Mountain Advisory Client.

S. "**Reportable Security**" means every Security in which an employee or a Family Member has a Beneficial Ownership or other Beneficial Interest except that a Reportable Security shall not include an Exempt Security, as defined above.

T. "**Security**" means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, reorganization certificate or subscription, transferable share, investment contract, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or a put, call, straddle, option or privilege, entered into on a national securities exchange relating to foreign currency, or in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

U. **"Senior Advisor"** means any person engaged by New Mountain in a formal consulting capacity who generally is not otherwise an employee of the Firm. Senior Advisors, based on the nature of their consulting services, each may have differing levels of access to (i) the Firm's facilities, (ii) nonpublic information regarding any Clients' purchase or sale of securities, (iii) nonpublic information regarding the portfolio holdings of any New Mountain Client or (iv) the Firm's investment recommendations. For these reasons, Senior Advisors are classified as being either "access" or non-access" persons for purposes of Rule 204A-1 and the Firm's Code of Ethics, and their designation is periodically evaluated to confirm the appropriate classification over time. While some of the policies and procedures contained in this Investment Advisory Regulatory Manual may apply broadly to all Senior Advisors, other policies and procedures may only apply to persons designated as either a "Senior Advisor — Access" or "Senior Advisor: Non-Access".

V. **"Senior Management"** means Steven B. Klinsky and all executive officers of New Mountain and any other person designated by him to review and consider legal, compliance and/or regulatory matters.

IV. GUIDELINES AND PROCEDURES

A. General Guidelines

All New Mountain Employees must disclose to the Firm any interest they may have in an entity that is not affiliated with New Mountain and that has a known business relationship with the Firm. All New Mountain BDC Directors must disclose to New Mountain BDC any interests they may have in any

entity that is not affiliated with New Mountain BDC and that has a known business relationship with New Mountain BDC. Disclosure in this area must be timely so that New Mountain may consider the matter and take appropriate action to mitigate or address potential conflicts of interest. New Mountain and New Mountain BDC recognize, however, that they have business relationships with many companies and that certain interests and activities such as owning a relatively small interest in publicly traded securities of such organizations, serving as a trustee of a family trust, participating in a non-profit organization (provided such service does not involve the provision of investment advice on behalf of such organization), do not necessarily give rise to a conflict of interest.

B. Procedures and General Prohibitions

1. From time to time, New Mountain Employees or Senior Advisors may be invited to join the board of directors or accept board observation rights of New Mountain portfolio companies or outside entities, or accept opportunities to serve with non-profit or other civic organizations. Any New Mountain Employee or Senior Advisor who is invited to serve as a director or board observer of any public or private entity, whether or not affiliated with New Mountain, must promptly notify and secure the consent of the CCO prior to accepting any such directorship or observation rights. In the event that the Firm approves such request, the company in question shall immediately be placed on New Mountain's "Restricted List" and in the case of companies which issue securities or other investment instruments, or otherwise flagged for special review and monitoring for potential conflicts.(5)

2. Except with the prior written approval of the CCO, a New Mountain Employee or Senior Advisor may not act as an officer, general partner, consultant, agent, representative, trustee or employee of any business other than New Mountain or an affiliate of New Mountain.

3. Except with the prior written approval of the CCO, Employees may not have a monetary interest, as principal, co-principal, agent, shareholder, or beneficiary, directly or indirectly, or through any substantial interest in any other corporation, partnership or business unit, in any transaction that conflicts with the interest of New Mountain or its Clients.

4. Except with the prior written approval of the CCO, Employees may not invest in any IPO or private placement.

5. No New Mountain Employee, except in the course of the rightful exercise of his or her job duties and responsibilities, shall reveal to any other person information regarding any Advisory Client or any security transactions being considered, recommended, or executed on behalf of any Advisory Client. No New Mountain BDC Director, except in the course of the rightful exercise of his or her duties, shall reveal to any other person information regarding New Mountain BDC or any New Mountain BDC Portfolio Security.

6. No Advisory Person shall make any recommendation concerning the purchase or sale of any Security by an Advisory Client without disclosing, to

the extent

(5) The CCO shall maintain a log of all outside positions (whether or not affiliated with New Mountain Employees and New Mountain BDC Directors) in order to monitor for conflicts of interest.

known, the interest of the Firm or any New Mountain Employee, if any, in such Securities or the issuer thereof, including, without limitation (i) any direct or indirect beneficial ownership of any securities of such issuer; (ii) any contemplated transaction by such person in such securities; and (iii) any present proposed relationship with such issuer or its affiliates.

7. Subject to certain exceptions permitted by applicable law, New Mountain BDC shall not, directly or indirectly extend, maintain or arrange for the extension of credit or the renewal of an extension of credit, in the form of a personal loan to any officer or director of New Mountain BDC. Any Employee or New Mountain BDC Director who becomes aware that New Mountain BDC may be extending or arranging for the extension of credit to a director or officer, or person serving an equivalent function, should discuss the situation with the CCO to ensure that the extension of credit is in accord with this Code of Ethics and applicable law.

8. No Employee or New Mountain BDC Director shall engage in Insider Trading (as defined in the "Inside Information Policy") whether for his or her own benefit or for the benefit of others.

9. No Employee may communicate material, nonpublic information concerning any Security to anyone unless it is properly within his or her duties to do so. No New Mountain BDC Director may communicate material, nonpublic information concerning any New Mountain BDC Portfolio Security to anyone unless it is properly within his or her duties to do so.

10. Each Employee shall annually complete an "Adviser Disclosure Questionnaire" and return the completed questionnaire to New Mountain's CCO (or a Compliance Representative). Each Employee shall supplement the annual questionnaire as necessary to reflect any material change between annual filings.

11. Every Employee must avoid any activity that might give rise to a question as to whether the Firm's objectivity as a fiduciary has been compromised.

12. Access Persons (including all New Mountain Employees) are required to disclose to the CCO all personal securities holdings immediately upon commencement of employment (which shall include all personal securities holdings of the Employee's Family Members), and in no case later than ten (10) days beyond the Access Person's start date. Employees are also required on a quarterly basis and no later than thirty (30) days after each quarter end to file a report indicating any transactions made in any Reportable Securities. On an annual basis, each Access Person is to disclose to the CCO all personal holdings of Reportable Securities.

13. The intentional creation, transmission or use of false rumors is inconsistent with the Firm's commitment to high ethical standard and may violate the antifraud provisions of the Advisers Act(6), among other securities laws of the United States. Accordingly, no Employee may maliciously create, disseminate or use false rumors. This prohibition covers oral and writing communications, including the use of electronic communication media such as e-mail, PIN messages, instant messages, text messages, blogs and chat rooms. Because of the difficulty in

(6) See Section 206 of the Advisers Act.

identifying "false" rumors, the Firm discourages Employees from creating, passing or using any rumor.

14. From time to time, and in accordance with its fiduciary duties owed to Clients, New Mountain Employees may determine it to be in the best interest of the Funds to disclose proprietary information relating to the Firm or Advisory Clients to other market professionals including: senior executives of both publicly traded and private companies, other hedge fund managers, investment bankers, research analysts, sales traders, paid consultants and other unaffiliated third parties (collectively, "**Other Market Professionals**"). The disclosure of proprietary information is generally permissible if such information has been made publicly available though an adviser's regulatory filings (e.g., Form 13F or Schedules 13G or 13D) or through the distribution of quarterly Fund updates that are sent to the Funds' investors and shareholders. In light of the foregoing, in reasonable consultation with the CCO and to the extent consistent with the Firm's fiduciary duty to its Advisory Clients, New Mountain Employees may from time: (1) discuss general market events and the merits of investing in specific securities with Other Market Professionals; and (2) attend so-called idea meetings/dinners with Other Market Professionals.

15. At its discretion, New Mountain may choose to engage service providers to perform a number of important services for the Funds, such as serving as administrator, pricing agent, proxy voting agent, and/or fund accountant. These service providers may provide various functions including, but not limited to, financial reporting, tax and regulatory services; books and records creation and management; value portfolio securities and accounts; regulatory filings preparations; and client proxies voting. When a service provider is utilized, New Mountain retains its fiduciary responsibilities for the delegated services. As a result, New Mountain will review, on at least an annual basis, each service provider's overall compliance program for compliance with the federal securities laws to confirm that service providers are taking reasonable steps to comply with New Mountain's specific policies and procedures. As part of its review, New Mountain will also make reasonable attempts to identify, and disclose where applicable, any affiliations and related conflicts of interest related to the use of any such service provider.

V. ACKNOWLEDGEMENT

Unless New Mountain has distributed and received an acknowledgement with respect to a revised version of the Code and IA Compliance Manual, each Employee must certify in writing at least annually (upon request by New Mountain) that he or she has read, understands, is subject to and has complied with the Investment Adviser Compliance Manual, including the Code (*in the form attached as Attachment D*). Any Employee who has any questions about the applicability of the Code to any particular situation should contact the CCO.

VI. REPORTING AND SANCTIONS

While compliance with the provisions of the Code is anticipated, Employees should be aware that in response to any violations, the Firm shall take whatever action is deemed necessary under the circumstances including, but without limitation, the imposition of appropriate sanctions. These sanctions may include, among others, the reversal of trades, reallocation of trades to client accounts, disgorgement

of profits deemed improper, or, in more serious cases, employee suspension or termination. Moreover, Employees are required to report any violation(s) of the Code or the IA Compliance Manual or any other inappropriate conduct to the CCO (or a Compliance Representative). The Firm prohibits retaliation against any such personnel who, in good faith, seeks help or reports known or suspected violations, including Employees who assist in making a report or who cooperate in an investigation. Any Employee who engages in retaliatory conduct will be subject to disciplinary action, which may include termination of employment.

VII. ADDITIONAL RESTRICTIONS AND WAIVERS BY NEW MOUNTAIN AND NEW MOUNTAIN BDC

From time to time, the CCO (or a Compliance Representative), in consultation with Senior Management, may determine that it is in the best interests of the Firm for certain Employees or other persons (i.e. consultants and/or Senior Advisors) to be subject to the Code or additional restrictions or requirements in addition those set forth in the Code. In such case, the affected persons will be notified of the additional restrictions or requirements and will be required to abide by them as if they were included in the Code. In addition, under extraordinary circumstances, the CCO (or a Compliance Representative) may, after consultation with Senior Management, grant a waiver of certain of these restrictions or requirements contained in the Code on a case by case basis. In order for an Employee to rely on any such waiver, it must be granted in writing.

Any waiver of the requirements of the Code for executive officers of New Mountain BDC or New Mountain BDC directors may be made only by New Mountain BDC's board of directors or a committee of the board and must be promptly disclosed to shareholders as required by law or relevant exchange rule or regulation as determined in consultation with New Mountain BDC outside legal counsel.

The CCO will maintain a log of all requests for exceptions and waivers and the determination with respect to such requests.

VIII. REVIEW BY BOARD OF DIRECTORS OF NEW MOUNTAIN BDC

The CCO will prepare a report to be considered by the board of directors (1) quarterly that identifies any violations of the Code with respect to New Mountain BDC requiring significant remedial action during the past quarter and the nature of that remedial action; and (2) annually, in writing, that (a) describes any issues arising under the Code since the last written report to the Board, including, but not limited to, information about material violations of the Code and sanctions imposed in response to such violations, and (b) identifies any recommended changes in existing restrictions or procedures based upon New Mountain BDC's and/or New Mountain Adviser's experience under the Code, evolving industry practices, or developments in applicable laws or regulations, and (c) certifies that New Mountain BDC and New Mountain Adviser have each adopted procedures reasonably designed to prevent violations of the Code, and of the federal securities laws in accordance with the requirements of the Advisers Act and the Company Act.

The Board of New Mountain BDC will also be asked to approve any material changes to the Code within six (6) months after the adoption of such change, based on a determination that the Code, as amended, contains policies and procedures reasonably designed to prevent violations of the federal securities laws.

Adopted: May [ ], 2011

CODE OF ETHICS: PERSONAL INVESTMENT POLICY

I. INTRODUCTION

The following policies and procedures form part of the Code jointly adopted by New Mountain and New Mountain BDC. The Advisers Act, specifically Rule 204A-1, requires "access persons" of a registered investment adviser, such as New Mountain, to provide periodic reports regarding transactions and holdings in Reportable Securities beneficially owned by the access person. Rule 17j-1 under the Company Act requires similar reports for "access persons" to a business development company like New Mountain BDC. For purposes of the Code, all New Mountain Employees are considered to be Access Persons of New Mountain,(7) and all Access Persons of New Mountain and New Mountain BDC Directors are considered to be Access Persons of New Mountain BDC (subject to the caveats and exceptions set forth in Sections II and III below).

The purpose of this Personal Investment Policy and related procedures (this '**Policy**") is to alert New Mountain Access Persons, New Mountain BDC Directors, and certain affiliated persons of New Mountain, of their ethical and legal responsibilities with respect to Securities transactions involving (i) possible conflicts of interest with New Mountain clients, including New Mountain BDC, and (ii) the possession and use of material, nonpublic information. It is a violation of the Code and this Policy for any New Mountain Access Person or New Mountain BDC Director to use their knowledge concerning a trade, pending trade, or contemplated securities transaction by New Mountain BDC or any other New Mountain Advisory Client to profit personally, directly or indirectly, as a result of such transaction, including by purchasing or selling such securities.

The provisions of this Policy are based upon the following general fiduciary principles:

- the duty at all times to place the interest of the Firm's Advisory Clients or New Mountain BDC, as applicable, first;
- the requirement that all directors, officers, and employees of New Mountain and New Mountain BDC become aware of, maintain knowledge of, and comply with applicable federal and state laws and regulations, including those of any relevant governmental agency or self regulatory organization;
- the requirement that all Personal Security Trades be conducted in a manner which avoids any actual, potential, or perceived conflict of interest, or any abuse

of an individual's position of trust, confidence, and responsibility; and

- the fundamental standard that New Mountain Employees and New Mountain BDC Directors should not take inappropriate advantage of their positions.

(7) See definition of "Access Person" set forth in Section III.A. of the Code of Ethics Policy set forth above.

This Policy requires that all New Mountain Employees make certain periodic reports concerning their Personal Security Trades and the receipt of certain types of gifts, entertainment or other benefits.

II. GENERAL POLICY REQUIREMENTS

As a general matter, New Mountain Employees owe an undivided duty of loyalty to the Firm's Clients. The Firm also recognizes the need to permit Employees reasonable freedom with respect to their personal investment activities. It shall be a violation of the Code and this policy, for any Employee of the Firm or any New Mountain BDC Director, in connection with the performance of his or her job responsibilities:

- to employ any device, scheme or artifice to defraud any Advisory Client;
- to make any untrue statement of a material fact to an Advisory Client, or to omit to state a material fact necessary in order to make the statements not misleading;
- to engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon an Advisory Client;
- to engage in any manipulative practice with respect to an Advisory Client; or
- to engage in any manipulative practice with respect to Securities, including price manipulation.

This Policy together with the Code supersedes and replaces in full any earlier policies on the subjects regulated. Any questions that arise relating to the Policy should be referred to the CCO. If necessary, any final determination may be made by the CCO in consultation with Senior Management, or by the CCO, in consultation with New Mountain BDC's officers and members of its board of directors.

This Policy is applicable to all New Mountain Employees and all New Mountain BDC Directors, although as noted below, certain technical pre-approval and reporting requirements in Section IV and Section V generally do not apply to Disinterested Directors. Nonetheless, each Disinterested Director is obligated to comply with the principles described in those sections and, in certain circumstances, may be required to obtain prior approval and report matters to the CCO. Accordingly, Disinterested Directors should notify the CCO if at any time he or she believes that he or she has taken action that is inconsistent with the restrictions or other requirements set forth in Sections III or IV of this Code.

III. RECORDKEEPING AND REPORTING REQUIREMENTS

Under the Advisers Act and the Company Act, New Mountain is required to keep records of transactions in Securities in which Access Persons (excluding Disinterested Directors) have a direct or indirect Beneficial Interest.

A. Reports

The following personal securities holding and transaction reporting requirements have been adopted to enable New Mountain to satisfy its legal and regulatory requirements:

- At the time of hiring, but in no case later than ten (10) days from the date of commencement of employment (or other engagement or arrangement) with the Firm, every new Access Person shall submit to the CCO (or a Compliance Representative) an

Initial Holdings Report (*in the form attached as **Attachment A***), disclosing every Reportable Security and account in which that Access Person and his/her Family Members has a direct or indirect Beneficial Ownership or other Beneficial Interest (which information must be current as of a date no more than forty-five (45) days prior to the date the person becomes an Access Person);

- On a quarterly basis and no later than thirty (30) days after each quarter end, every Employee of New Mountain shall file with the CCO, (or a Compliance Representative), a **Quarterly Transaction Report** (*in the form attached as **Attachment B***), disclosing all transactions in a Reportable Security during the quarter. To the extent that it hasn't already been disclosed in a prior report, each Employee shall also include the names and affiliations of Family Members who are employed in the securities or commodities industries and who might be in a position to benefit directly or indirectly from the activities of Access Persons in the discharge of their duties. Each Quarterly Transaction Report must be signed and dated as of the date of submission.
- At the end of each calendar year, but in no case later than thirty (30) days following a year-end (i.e., January 30), every Access Person shall submit to the CCO (or a Compliance Representative), an **Annual Holdings Report** (*in the form attached as **Attachment C***), disclosing all Reportable Security holdings as of year end;
- Each Access Person must annually execute an acknowledgement with respect to the Compliance Manual, including this Policy (*in the form attached as **Attachment D***).(8)

B. Duplicate Monthly Statements and Trade Confirmations

In addition to providing the Quarterly Transaction Report and Annual Holding Reports described above, Access Persons shall arrange for a broker, dealer, bank or other third party service provider to promptly send to the CCO duplicate monthly account statements (or quarterly statements if monthly statements are not readily available)

and trade confirmations for all Personal Securities Trades. *A form of letter requesting copies of duplicate statements and confirmations is attached as* ***Attachment E.*** The Firm may require Access Persons to provide statements, reports and confirmation regarding Personal Securities Trades via a third party service provider in order to facilitate compliance with the trading restrictions and reporting requirements set forth in this Code of Ethics.

C. Disinterested Directors

The recordkeeping and reporting provisions in this section of the policy do not apply to the Disinterested Directors of New Mountain BDC,unless, at the time of a Personal Securities Trade in a Reportable Security, the Disinterested Director knew, or, in the ordinary course of fulfilling his or her duties as a director, should have known that during the fifteen (15) day period immediately preceding or after the date of the transaction, New Mountain BDC purchased or sold the security or the security was Being Considered for Purchase by New Mountain BDC.

(8) Depending on the nature of the services to be performed by an Access Person and the type and frequency of access to the Firm's premises and systems, the CCO may determine that an Access Person who is not an Employee shall only execute an acknowledgement of the Code rather than the entire Investment Advisory Compliance Manual.

IV. STATEMENT OF RESTRICTIONS

A. Restricted List

No Access Person may make a Personal Securities Trade in the Securities of an issuer listed on the Firm's Restricted List. The information that a particular issuer has been placed on the Restricted List is itself sensitive and confidential. The contents of the Restricted List should never be communicated to persons outside of the Firm except in the limited circumstances in which the CCO (or a Compliance Representative) has determined that it is necessary to disclose such information. The Firm may place an issuer on the Restricted List at any time without prior notice to Access Persons. Access Persons who obtain Securities of an issuer that is later placed on the Restricted List may be "frozen in," or prohibited from disposing of such Securities, until such time as the issuer has been removed from the Restricted List.

1. *Securities*

The name of an issuer or security could be placed on the Restricted List for many reasons, including when:

- the Firm or an Advisory Client purchases a security of a particular issuer or such security or issuer is Being Considered for Purchase;
- the Firm enters into a confidentiality agreement with or relating to an issuer,
- the Firm or an Advisory Client has declared itself "Private" with respect to an issuer in an electronic workspace such as IntraLinks or SyndTrak;
- the Firm becomes bound by a fiduciary obligation or other duty (for example, because an Employee or Senior Advisor has become a board member of a Fund portfolio company or an unaffiliated public company (or private subsidiary thereof)); or
- an Employee becomes aware of (or is likely to become aware of) material, nonpublic information about a security or issuer; or
- the Firm (as determined by the CCO (or a Compliance Representative)) has determined to include an issuer to avoid the appearance of impropriety so as to protect the Firm's reputation for integrity and ethical conduct.

2. *Procedures*

The CCO (or a Compliance Representative) maintains and updates the Firm's Restricted List periodically. It is the responsibility of all New Mountain Employees, however, to ensure that the Firm's Restricted List is accurate. Please consult the Confidentiality Policy for further information on the relevant procedures.

- **Additions**: Employees who become aware of any of the circumstances set forth in subsection (A)(1) above, or who for any other reason believe a company or security should be added to the Restricted List, should immediately notify the CCO in order to ensure that the Restricted List is updated.
- **Deletions**: When the circumstances set forth in subsection (A)(1) above no longer exist, or the Firm is no longer bound by the obligations giving rise to the inclusion of a security

or issuer on the Restricted List, Employees should notify the CCO so that the name of the issuer or security can be promptly removed from the Restricted List.

- **Changes**: From time to time, a representative of the Operations staff will distribute a notice to all Employees as to changes to the Restricted List. Employees, however, are responsible for checking the Restricted List before engaging in any Personal Securities Trade, or prior to (where practicable) communicating with senior management of a publically-traded company in furtherance of the Employee's New Mountain business activities. The Restricted List is available at all times from the CCO and on the compliance section of the Firm's G: drive.

As a general rule, Securities that are on the Restricted List because they are held by a New Mountain Advisory Client must stay on the list for at least thirty (30) days after the Fund(s) liquidate the holding.

B. Pre-Clearance Requirements

Except with respect to Exempt Securities and as noted below, Access Persons must pre-clear all personal investment transactions in all Securities, including and all investments in initial pubic offerings and private placements. The pre-clearance policy also applies to any stop orders, limit orders and/or other similar instructions involving the Security.

1. Procedures

Prior to effecting any Personal Securities Trade, the Access Person must pre-clear such transaction with the Compliance Officer (or a Compliance Representative).

- To pre-clear transactions, Employees may electronically submit a completed NM Pre-Clearance Trade Request Form, specifically including information relating to: (i) the specific Security or Securities proposed to be traded, (ii) whether the Security is being bought or sold, (iii) the size of the transaction contemplated, (iv) the relevant account number(s), (v) whether the transaction involves an IPO or private placement, (vi) whether the Employee is in possession of any material nonpublic information relating to the Securities; (vii) any other relevant information, and (viii) or any other information requested by the CCO (or a Compliance Representative).

- The CCO (or a Compliance Representative) will review and approve or decline the trade request(s) within a reasonable period of time after receipt of such requests.

- A written record will be maintained of all inquiries received, and of the response given, and a copy of each response will be provided to the inquirer. In reviewing the request, the CCO (or a Compliance Representative) will generally take into consideration:

    - the adherence of the transaction with applicable securities laws, as well as this Policy;
    - the Firm's reputation for integrity and ethical conduct; and
    - any other factors determined by the CCO (or a Compliance Representative) to be relevant.

- Typically, no reason will be given as to why a company is on the Restricted List or a trade is disapproved to prevent the inadvertent dissemination of material nonpublic information.

- When granted, pre-clearance authorizations will typically be effective for two (2) weeks (i.e. ten (10) business days) following the date on which pre-clearance was obtained unless such authorization is terminated or revoked earlier by the CCO. If the transaction is not completed within these time requirements, an Employee must obtain a new preclearance, including one for any uncompleted portion of the transaction. The CCO (or a Compliance Representative) has the authority to grant exceptions to the trade placement requirement when approving trades, but shall document the reasons for granting exceptions or extensions.

- A copy of the NM Pre-Clearance Trade Request Form is available from the CCO (or a Compliance Representative) and on the compliance section of the Firm's G: drive. A record of such approval (or denial) by the CCO and a brief description of the reasoning supporting such decision will be maintained in accordance with the recordkeeping requirements of the Advisers Act and Company Act.

New Mountain BDC Directors

Notwithstanding the foregoing, the Disinterested Directors of New Mountain BDC are not subject to the restriction and pre-approval requirement in the prior paragraph unless, at the time of the investment in the IPO or private placement, the Disinterested Director knew, or, in the ordinary course of fulfilling his or her duties as a director, should have known that during the fifteen (15) day period immediately preceding or after the date of the transaction, New Mountain BDC purchased or sold the security or the security was Being Considered for Purchase by New Mountain BDC.

Senior Advisors

The foregoing requirements may not be applicable to certain Senior Advisors depending on, upon other things, whether the CCO has determined that the Senior Advisor is an Access Person. Exceptions for Senior Advisors from having to comply with the New Mountain's personal trading requirements are granted only with the approval of the CCO. However the CCO reserves the right to impose additional restrictions and conditions depending on the Senior Advisor's role and responsibilities with respect to New Mountain, and his or her access to New Mountain's facilities, systems, information and investment recommendations. Upon the commencement of the engagement of a Senior Advisor (or in connection with a change in the Senior Advisor's role and responsibilities and access to the Firm's facilities, systems, information and investment recommendations), the CCO will advise each Senior Advisor as to whether and to what extent the Senior Advisor if subject to these requirements.

Managed Accounts

Access Persons who have accounts that are "managed" or "discretionary," where the Access Person does not impart any investment decision authority are not required to have trades pre-cleared nor have duplicate copies of individual trade confirmations submitted to New Mountain. Access Persons, however, must still report the existence of these accounts, provide a list of investments held in the account and have copies of their monthly account statements submitted to New Mountain. Access Persons (including applicable Senior Advisors) must provide a letter, at the time the account is established and annually thereafter, from the manager of the account indicating that the account is managed and that the Access Person retains no investment decision making authority or discretion.

Margin Accounts

Although this Policy does not prohibit purchase of Securities in margin accounts, sales of Securities following failure to satisfy a house or margin call are subject to this Policy. Any Access Person who buys Securities on margin should be aware that in the event of a margin call they must either (a) satisfy the margin call using cash or (b) determine (in accordance with pre-clearance procedures set forth in this Policy) that the Security intended to be sold if the call is not satisfied is not on the Restricted List. It is recommended that any person who maintains a margin account should also maintain cash or liquid assets in an amount equal to the debt attributable to stock held in a margin account.

C. Trades of New Mountain BDC Securities and New Mountain BDC Portfolio Securities

Any purchase or sale of New Mountain BDC Securities or any New Mountain BDC Portfolio Security is subject to the pre-clearance and reporting requirements set forth herein, except that any such proposed purchase or sale must be completed within three business days from the date of approval. If the trade is not executed within this three-day period, a new pre-clearance request must be submitted to the CCO (or Compliance Representative). Notwithstanding anything herein to the contrary, the CCO may at any time, after consulting with New Mountain BDC's Chief Executive Officer, determine that no Employee is permitted to buy, sell or otherwise trade in any New Mountain Finance BDC Securities or New Mountain BDC Portfolio Security.

An Access Person may enter into an SEC Rule 10b5-1 trading plan only when not aware of material, nonpublic information relating to New Mountain BDC or any of its directly or indirectly held publicly-traded portfolio companies. The CCO must pre-clear any trading in New Mountain BDC Securities or New Mountain BDC Portfolio Security as part of any such plan or arrangement.

D. Trades by New Mountain BDC Directors

The directors of New Mountain BDC are prohibited from trading any New Mountain BDC Portfolio Security.

E. Trades by New Mountain Employees Serving on Portfolio Company Boards

Companies for which Employees serve on the board of directors may permit members of its board of directors to purchase stock based on a predetermined schedule that is set by the company ("**Predetermined Purchases**"). Predetermined Purchases for Employees who serve on the board of directors are exempt from the restriction of purchasing securities on the Restricted List, however such purchases are subject to the pre-clearance and reporting requirements set forth in this IA Compliance Manual.

F. Investments on Behalf of Advisory Clients in Issuers on which a Senior Advisor serves on the Board

If a New Mountain Employee determines to make an investment in public or private Securities of any issuer on behalf of an Advisory Client, the Employee shall, prior to making such investment, confirm that such issuer is not on the Restricted List. However, provided the Firm and/or its Employees are not in possession of material non-public information, a Portfolio Manager will be permitted to transact shares of an issuer maintained on the Restricted List where such issuer is included on the Restricted List solely as a result of a Senior Advisor's participation as a board member of that issuer. Generally, Employees and

applicable Senior Advisors are prohibited from trading in the issuer for as long as the issuer remains on the Restricted List.

Under these circumstances, the trade must be executed during a relevant window period established by the issuer for its insiders. In situations where an issuer has not specified a relevant window period, except as otherwise may be determined by the CCO (or a Compliance Representative), trading will be permitted in the security during the period of time that begins two full trading days after the date of public disclosure of financial results for the preceding quarter or year, through the period up to two weeks (i.e. 10 trading days) prior to the end of the quarter in which the financial results are publically disclosed. The Portfolio Manager (or qualified designee) must notify the CCO and a member of the Operations Group of the anticipated trade prior to execution by completing the relevant portion of the New Mountain Due Diligence Checklist maintained by and available from the CCO.

G. Inside Information

Employees may not make Personal Securities Trades(9) in the Securities of an issuer while in possession of material, nonpublic information regarding that issuer. Employees may not communicate such information to others except in the course of fulfilling their duties as an employee of the Firm. Should an Employee become aware of material, nonpublic information at any time, whether in the course of their employment or otherwise, that Employee must inform the CCO. The elements of improper insider trading are explained more fully in the Inside Information policy below, which is a part of this Code.

H. No Personal Trades Through New Mountain's Traders

No Personal Securities Trades may be effected through New Mountain's Trading personnel.

I. Use of Brokerage for Personal or Family Benefit

No New Mountain Employee may execute a trade with a broker for direct or indirect personal or Family Member benefit by using the influence (implied or stated) of New Mountain or any New Mountain Employee's influence (actual or implied).

J. No "Front Running"

While the Code of Ethics contains policies and procedures designed to promote ethical conduct with respect to Personal Securities Trades, irrespective of the application of any particular trading restriction, no Personal Securities Trades may be effected by any Employee who is aware or should be aware that (i) there is a pending buy order in the securities of that same issuer for any Client of New Mountain, or (ii) a purchase of the securities of that same issuer can reasonably be anticipated for or by a New Mountain Client in the next five (5) calendar days. As a general rule, no Personal Securities Trade may be executed with a view toward making a profit from a change in price of such security resulting from anticipated transactions by or for New Mountain's Clients.

V. REMEDIAL ACTIONS AND DISCIPLINARY SANCTIONS

Initially, upon discovering a violation of this policy by, New Mountain shall take any remedial steps it deems necessary and available to address or remedy the matter (e.g., a trade reversal). Following

(9) Except as specifically set forth in this Investment Advisory Compliance Manual, the prohibition against trading while in possession of material nonpublic information applies to trades on behalf of Advisory Clients.

appropriate corrective efforts, New Mountain's CCO, in consultation with Senior Management, may impose sanctions if, based upon all of the facts and circumstances considered, such action is deemed appropriate. The magnitude of the sanctions will vary with the severity of the violation. Repeat offenses will likely merit more severe sanctions. Violations of this policy include, but are not limited to, the following:

- Failure to pre-clear a trade a Personal Securities Trade;
- Execution of a Personal Securities Trade in a security on the Restricted List;

- Failure to disclose the opening or existence of an account containing Reportable Securities;
- Execution of a Personal Securities Trade through a New Mountain trader; and
- Failure to timely complete and return periodic certifications and acknowledgements.

The type of sanctions to be imposed include, but are not limited to, verbal or written admonishments, trade reversals, reduction of the Employee's discretionary bonus to reflect disgorgement of profits or monetary fines, suspension or termination of trading privileges, termination or suspension of access to New Mountain's facilities or systems, suspension or termination of employment or engagement, initiation of a legal claim or referral to legal or regulatory authorities.

VI. REVIEW BY CCO

The CCO (or a Compliance Representative) will review Personal Securities Trade-related information to verify compliance with this Policy. The results of this review will be reported to Senior Management, including relevant committees, or, as appropriate, to New Mountain BDC's board of directors.

Adopted: May [ ], 2011

CODE OF ETHICS: INSIDE INFORMATION POLICY

I. INTRODUCTION

The prohibitions against insider trading set forth in the federal securities laws play an essential role in maintaining the fairness, health, and integrity of our markets. These laws also establish fundamental standards of business conduct that govern our daily activities and help to ensure that client trust and confidence are not compromised in any way. Consistent with these principals, New Mountain forbids any Employee from (i) trading securities of an issuer either for any New Mountain Advisory Client or any account in which an Employee has a Beneficial Interest, if that Employee is "aware" of material and nonpublic information concerning an issuer; or (ii) communicating material and nonpublic information to others in violation of the law. This conduct is frequently referred to as "insider trading." This policy applies to every Employee and extends to activities within and outside of each Employee's duties at New Mountain. Every Employee must read and retain this policy as part of his or her personal file and provide the periodic acknowledgement(s) set forth in Section III.I. below. Any questions regarding this policy should be referred to the CCO.

The term "insider trading" is not specifically defined under the federal securities laws (most guidance in this area can be found under case law and related judicial decisions), but generally is used to refer to improper trading in securities *on the basis* of material and nonpublic information (whether or not the person trading is an insider). A person is generally deemed to trade "on the basis of" material nonpublic information if that person is aware of material nonpublic information when making the purchase or sale. It is generally understood that the law prohibits trading by an insider on the basis of material nonpublic information about the security or issuer. In order to be held liable under the law, the person trading must violate a duty of trust or confidence owed directly, indirectly, or derivatively to the issuer of that security or the shareholders of that issuer, or to any other person who is the source of the material nonpublic information (e.g., an employer). The law also prohibits the communication of insider information to others and provides for penalties and punitive damages against the "tipper" even if he or she does not gain personally from the improper trading.

A further discussion of the elements of insider trading and the penalties for such unlawful conduct is provided below. If you have any questions after reviewing this policy, please consult with the CCO.

II. KEY TERMS

A. Who is an Insider?

The concept of an "insider" is broad. It includes officers, directors, and employees of a company. In addition, a person can be a "temporary insider" if he or she enters into a special confidential relationship in the conduct of a company's affairs and as a result is given access to information solely for the company's purposes. A temporary insider can include, among others, a company's attorneys, accountants, consultants, bank lending officers, investment advisers (including New Mountain) and the employees of such organizations. New Mountain may become a temporary insider by signing a

confidentiality agreement or by accessing material nonpublic information on a private electronic workspace such as IntraLinks.

B. What is Material Information?

"Material" information generally is defined as information with respect to which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that is reasonably certain to have a substantial effect on the price of a company's securities.

Among other things, the following types of information are generally regarded as "material":

- dividend or earnings announcements;
- write-downs or write-offs of assets;
- additions to reserves for bad debts or contingent liabilities;
- expansion or curtailment of company or major division operations;
- merger, joint venture announcements;

- new product/service/marketing announcements;
- new supplier/manufacturing/production announcements;
- material charge/impairment announcements;
- senior management changes;
- change in control;
- material Restatement of previously issued financial statements;
- discovery or research developments;
- criminal indictments and civil and government investigations, litigations and/or settlements;
- pending labor disputes;
- debt service or liquidity problems;
- bankruptcy or insolvency problems;
- tender offers, stock repurchase plans, etc.; and
- recapitalizations.

C. What is Nonpublic Information?

Information is nonpublic until it has been effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the Securities and Exchange Commission (the "**SEC**"), or appearing in Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg or other publications of general circulation would be considered public. New Mountain Employees should seek specific guidance from the Firm's CCO (or a Compliance Representative), in situations where information concerning an issuer or its affiliated entities (e.g., subsidiaries) may not have been made available to the investment community as a whole but was made available to a group of institutional investors.

D. Penalties for Insider Trading

Penalties for trading on or inappropriately communicating material and nonpublic information are severe, both for the individuals involved and their employers. A person can be subject to some or all of the penalties below, even if he or she does not personally benefit from the violations. Penalties include:

- civil injunctions;
- disgorgement of profits;
- punitive damages (i.e., fines for the person who committed the violation of up to three times the profit gained or loss avoided, whether or not the person actually benefited personally);
- felony convictions which include possible jail sentences; and
- fines and sanctions against the employer or other controlling person.

III. INSIDER TRADING PROCEDURES

The following procedures have been established to aid Employees of New Mountain in avoiding insider trading, and to aid New Mountain in preventing, detecting, and imposing sanctions for insider trading. The following procedures should be read in conjunction with other policies set forth in this Code, and in New Mountain's *IA Compliance Manual.*

Upon discovering a violation of this policy, New Mountain may impose such sanctions as it deems appropriate against the Employee involved. Given the serious nature of this matter, sanctions will most likely include one or more of the following: reduction of an employee's discretionary bonus to reflect disgorgement of profits or fines, suspension of trading for an appropriate period of time and, if the facts support such action (i.e., no reasonable explanation or mitigating factors exist), appropriate personnel action, which may include termination of employment and reporting of the matter to the legal or regulatory authorities as appropriate.

A. Identifying Inside Information

Before trading in the securities of a company about which they may have potential inside information, Employees should ask themselves the following questions:

- Is the information material? Is this information that an investor would consider important in making his or her investment decisions (e.g., whether the investor should buy, sell or hold a security)? Is this information that would substantially affect the market price of the securities if generally disclosed?

- Is the information nonpublic? To whom has this information been provided? Has the information been effectively communicated to the marketplace by being published in Reuters, The Wall Street Journal, Bloomberg or other publications of general circulation? Remember that information that has been communicated to a relatively large group of sophisticated investors does not by itself mean that the information is public (e.g., large group of potential bank debt investors during an *invitation only* meeting).

B. Restricting Access to Material and Nonpublic Information

Care should be taken so that material, nonpublic information is secure. For example, files containing material and nonpublic information should be sealed or locked; access to computer files containing material and nonpublic information should be restricted. As a general matter, materials containing such information should not be removed from the Firm's premises and, if they are, appropriate measures should be maintained to protect the materials from loss or disclosure. Other measures to be taken in connection with the protection of material, nonpublic information include:

- *Limit Distribution of Information.* Employees should distribute materials containing material nonpublic information only on a "need-to-know" basis.

- *Careful use of Telephone and Internet.* Employees should be careful that they are not capable of being overheard when discussing matters involving material nonpublic information on the telephone or otherwise. For example, speaker telephones should generally be used in a way so those outsiders who might be in New Mountain's offices are not inadvertently exposed to this information. Moreover, Employees should consider whether the medium used for communication is sufficiently secure to ensure maintaining confidentiality of information. Communications over the Internet, such as external e-mail messages, should not include any confidential information. Finally, Employees should consider whether it is appropriate to assign "code names" in connection with confidential transaction when a public company is involved and to refer to any company involved in a transaction only by its assigned code name.

- *Access to Office Areas.* Employees should be careful to limit access to offices, conference rooms and workrooms in use when these rooms are left unattended while materials containing material nonpublic information are left inside them. When finished with a conference room or workroom, Employees should be careful to ensure that materials containing such information be removed or properly discarded.

- *Escort Outside Visitors.* Visitors to the Firm should not be allowed to frequent the nonpublic areas of the Firm unescorted; rather, visitors should be escorted to their destination within New Mountain's offices. Visitors attending meetings should not be permitted access to areas not related to the purpose of the meeting. As a general rule, visitors should not be allowed unattended in the offices of professional Employees or other areas where they may be exposed to inside information. Employees should be careful to avoid discussing inside information in the reception area and other public areas of the Firm or leaving materials that contain inside information in the reception area and other public areas of the Firm.

- *Use of Bloomberg and Other Data Terminals.* Bloomberg and other data terminals in public areas should not be electronically programmed for continuous viewing of target company Securities.

- *Screen Displays.* Employees using computers should be careful not to leave materials containing material nonpublic information displayed on the viewing screen when they leave their computers unattended.

C. Review and Dissemination of Certain Investment Related Information

As part of its consideration of investments in certain types of "non-security" instruments (e.g., bank debt instruments), the Firm often enters into confidentiality agreements with third parties (e.g., syndicate members or other primary lenders). Those agreements sometimes contain so-called "stand-still" provisions which specifically restrict the Firm's investment activity in identified issuers, but usually simply raise the possibility that nonpublic information may be disclosed to the recipient, and seek the receiving party's acknowledgement of that understanding and agreement to be bound by laws prohibiting trading while in possession of material nonpublic information. The issue of "materiality" and the ultimate determination as to whether the information provided rises to the level of "inside information" should not be made independently by the Employee or Senior Advisor. Rather, individuals should contact the CCO (or Compliance Representative) so that an analysis may be performed and a determination made by the CCO (or Compliance Representative). Many issuers, their agents or other counterparties specifically require that potential investors sign a confidentiality agreement before they will be provided access to investment related information via internet-based services (e.g., IntraLinks and SyndTrak). Because of

the importance of our policies regarding access to and use of confidential information, the executed confidentiality agreement must be delivered to the CCO (or a Compliance Representative) within a reasonable period of time following execution, and the issuer's name must be added to the Firm's Restricted List by the CCO (or a Compliance Representative). Employees and Senior Advisors should review the Confidentiality Policy in this *IA Compliance Manual* for further details.

D. Materiality — Determination by the CCO

Given the variety of asset classes and sophisticated instruments in which New Mountain may sometimes invest (e.g., equities, bonds, commodities, bank debt, distressed debt, credit default swaps and other derivative instruments), New Mountain employees often receive detailed information about an issuer which may not be otherwise readily available to the investing public. The responsibility for determining whether information is material generally rests with the CCO (or a Compliance Representative), in consultation with outside legal counsel, as appropriate.

E. Policies and Procedures Relating to Communications with Public Companies

Employees of New Mountain may at times communicate, directly or indirectly, with the directors, officers, or employees of U.S. public companies. These issuers are required to comply with specific disclosure rules which generally prohibit them from selectively disclosing material nonpublic information regarding the issuer to certain persons before disclosing the information to the general public. Specifically, issuers are required to ensure that material nonpublic information regarding the issuer that was previously nonpublic is disclosed to the general public and accessible to all potential investors. As a result of these requirements, the manner in which issuers communicate with analysts and the general public has been greatly affected. If any information received from an issuer is believed to be material nonpublic information, the CCO must be immediately contacted prior to either communicating such material nonpublic information to anyone else or making any investment or trading decisions regarding the securities of that issuer or the securities of any related party (e.g., affiliate or target company) that may be affected by the material nonpublic information. In some cases, material nonpublic information may be released by an issuer on a limited basis to select parties in a relationship of trust under a confidentiality agreement. Any confidentiality agreement with an issuer must be submitted to the CCO prior to entering into such agreement.

In each of the cases described above, it is the responsibility of the New Mountain Employee(s) and Senior Advisor(s) who have communicated with the public companies or accessed material nonpublic information to notify the CCO and see that the pertinent issuer(s) are added to the Restricted List and that the Firm otherwise complies with its policies and procedures with respect to the receipt of confidential information.

F. Policies and Procedures Relating to Paid Research Consultants and Expert Network Firms

While it is permissible to utilize consultants as part of the research process, New Mountain must be particularly sensitive about the information that these consultants provide. Accordingly, New Mountain has adopted the following procedures which must be adhered to by all Employees with regard to their contact and interaction with paid consultants:

- Prior to the commencement of a phone call or meeting with a paid consultant where it is anticipated that substantive information will be discussed, the Employee must inform such consultant that:

(i) the Firm actively invests in the public securities and private debt markets,

(ii) the purpose of speaking with such consultant is to obtain his/her independent insight as it relates to a particular industry, sector or company, and

(iii) such consultant should not share any material nonpublic information or confidential information that he/she may have a duty to keep confidential or that you otherwise should not disclose.

- The Employee should also confirm with such consultant that he/she will not be violating any agreement, duty or obligation such consultant may have with any

employer or other institution.

- In the event that an Employee learns or has reason to suspect that they have been provided with confidential or material nonpublic information they must immediately contact the CCO (or a Compliance Representative) prior to either communicating such material nonpublic information to anyone else or making any investment or trading decisions.

A list of approved expert network firms which may be engaged by New Mountain Employees (and Senior Advisors while conducting New Mountain business activities) is maintained by and available from the CCO. The engagement of a consultant not included on the list, and the terms and conditions of such engagement, are subject to the prior approval of the CCO or a Compliance Representative.

G. Bank Debt and Other Non-Security Investments

Notwithstanding the fact that certain instruments may not be deemed securities, there may be instances where New Mountain Employees receive information that is not generally known by other institutional investors — even those institutional investors who may be similarly situated (e.g., lenders that are privy to nonpublic information and have access to bank-level information or primary lender meetings). In situations where New Mountain has access to material, nonpublic information to which other potential investors/counterparties may not have access, investment staff should consult with the CCO (or a Compliance Representative) as to whether any proposed purchase or sale of an instrument should be made, and, if made, should include the use of a "Big Boy" letter, or, if the instrument is a loan, should be made by means of the standard LSTA form which includes disclosure concerning the possibility of access to such information. In such cases, the CCO (or a Compliance Representative), in consultation with Senior Management and outside legal counsel, if and as appropriate, shall make that determination and prepare an appropriate disclosure letter. A log of transactions in which "Big Boy" letters are used, and copies of any executed "Big Boy" letters shall be maintained by the CCO.(10)

H. Acknowledgement

Each Access Person must annually execute an acknowledgement with respect to the IA Compliance Manual, including this Policy (*in the form attached as **Attachment D***).

(10) The CCO's duty to maintain a log of Big Boy letters extends only to "stand alone" Big Boy letters and instances in which the language in the LSTA form agreement regarding asymmetry of information was negotiated and modified in any material respect.

I. Responsibilities of the Chief Compliance Officer

To ensure adherence to the Inside Information Policy, the CCO will perform the following functions:

- When appropriate, the CCO shall coordinate with all New Mountain affiliates with respect to this policy.
- The CCO shall assure that all New Mountain Employees are familiar with this policy and that, upon joining the Firm, new Employees receive a copy of this policy, are given the opportunity to discuss its provisions and certify their understanding of its terms.
- The CCO shall undertake appropriate educational efforts (e.g., periodic training sessions) to refresh Employee understanding of this and other related policies.

The CCO will periodically review compliance with this policy and, if necessary, prepare a report specifying any related concerns and recommendations for consideration by Senior Management and by New Mountain BDC's board of directors in connection with the CCO's periodic reports described elsewhere in this Code.

Adopted: May [ ], 2011

NEW MOUNTAIN FINANCE CORPORATION

CODE OF ETHICS:
GIFTS, ENTERTAINMENT, AND POLITICAL CONTRIBUTIONS POLICIES

I. INTRODUCTION

The following Gifts, Entertainment and Political Contributions Policy and its corresponding procedures have been jointly adopted by New Mountain and New Mountain BDC. New Mountain attempts to minimize any activity that might give rise to a question as to whether the Firm's objectivity as a fiduciary has been compromised. One possible area of fiduciary concern relates to the acceptance of gifts or entertainment from third parties with which New Mountain or its clients, including New Mountain BDC, do business.

As a general rule, no Employee may solicit, give or receive any gift that could influence decision-making or make a person beholden, in any away, to another person or company that seeks to do or is currently doing business with the Firm. In addition, depending upon an Employee's individual responsibilities, specific regulatory requirements may dictate the types and extent of gifts and entertainment Employees may give or receive.

II. GIFTS & ENTERTAINMENT POLICY

Providing Business Courtesies

The Firm is committed to competing solely on the merit of its products and services. New Mountain Employees should avoid any actions that create a perception that favorable treatment of outside entities by the Firm was sought, received, or given in exchange for personal business courtesies.

Any Employee who offers a business courtesy must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon the Firm. In addition, an employee may never use personal funds or resources to do something that cannot be done with Firm resources. No Employee may provide or offer to provide any gifts to vendors or third parties (including investment banks, underwriters or lending entities) with whom or with which the Firm or its affiliates conducts, or is considering conducting, business without the consent of the CCO (or a Compliance Representative). A gift may include any services or merchandise of any kind or discounts on merchandise or services and other transfers of cash or items of value.

Although customs and practices might differ among the many marketplaces in which the Firm conducts its business, Firm policies regarding business courtesies are substantially similar within the U.S. and elsewhere throughout the world. As a matter of respect for the rich and diverse business customs practiced in the international markets in which the Firm does business, the Firm recognizes that permissible business conduct might differ somewhat based on local ethical business practices. Nonetheless, the actions of all Firm personnel, even internationally, must always be consistent with Firm policies and procedures.

Specific requirements and restrictions apply regarding the offering of business courtesies to government officials or employees (both foreign and domestic, including, with respect to foreign government officials, the Foreign Corrupt Practices Act). For example, on September 14, 2007, President Bush signed into law the Honest Leadership and Open Government Act of 2007. This law, which went into effect on January 1, 2008, made substantial changes to the prohibitions and limitations on gifts to members of Congress and their staff, and other federal employees. This law is complex, extremely restrictive and provides for harsh penalties (i.e., up to five (5) years imprisonment and up to $200,000 in fines). Laws, rules and regulations concerning appropriate meals, gifts and entertainment to government officials and employees can also vary depending on government branch, state, or other jurisdiction.

It is against Firm policy to offer or give a business courtesy to government officials or employees (or any other individual) unless the regulations applicable to that individual permit acceptance of the business courtesy. Accordingly, Employees and Senior Advisors are prohibited from offering or giving any gift or business courtesy whatsoever to government officials or employees in any state in which New Mountain has an existing public pension fund investor. *A current list of those states is attached as **Attachment F** and is updated and published periodically by the CCO.*

In states where New Mountain does not have an existing public pension fund investor, Employees and Senior Advisors may not provide or offer to provide any gift or business courtesy whatsoever to government officials or employees without first consulting with and securing the approval of the CCO.

If you are unsure of applicable laws, rules and regulations with respect to providing business courtesies in any circumstance, you should consult with the CCO.

Receiving Business Courtesies

No Employee should obtain any material personal benefits or favors because of his or her position with the Firm. Each Employee's decisions on behalf of the Firm must be free from undue influence. No Employee shall ask for, or accept, any gifts from vendors or third parties with whom or which the Firm or its affiliates conducts, or is considering conducting, business, without the consent of the CCO. A gift may include any services or merchandise of any kind or discounts on merchandise or services and other transfers of cash or items of value. This policy does not prohibit the receipt of occasional or nominal non-cash gift items (without the consent of the CCO), such as holiday gifts, so long as the amount received by an employee from any one source over a calendar year does not exceed $500.

The foregoing is not intended to prohibit the acceptance or provision of normal amenities and entertainment that facilitate the handling of the Firm's business, such as business luncheons, dinners or other non-extravagant activities. Thus, normal and customary entertainment (i.e., business meals and entertainment where the person providing the entertainment is present) is acceptable). No Employee may provide or accept extravagant or excessive entertainment to or from an Advisory Client or any person or entity that does or seeks to do business with or on behalf of the Firm. Any event that an Employee wishes to attend and which the Employee reasonably expects to exceed $1,000 in value must be approved in advance by the CCO.

In the event that an Employee wishes to receive a gift or attend a meal or event which that Employee reasonably expects to exceed the limits described above, the Employee shall complete a request to the CCO (*in the forms attached as **Attachment G and Attachment H, respectively***). The CCO shall maintain a log of all requests and the determinations made with respect thereto.

If an Employee has any questions with regard to whether certain entertainment is permissible pursuant to this policy, such Employee should contact the CCO.

III. POLITICAL ACTIVITIES

New Mountain encourages its Employees to be actively involved in the civic affairs of the communities in which they live. When speaking on public issues, however, employees should do so only as individual citizens of the community and must be careful not to create the impression that they are acting for, or representing the views of New Mountain.

The SEC, along with certain states, municipalities, and public pension plans, have adopted regulations limiting or completely disqualifying a firm from providing services to, or accepting placements from, a government entity if certain political contributions(11) are made or solicited(12) by the Firm, certain of its employees, or, in some instances, an employee's spouse, domestic/civil union partner or immediate family members residing in the same home.(13) Under these so-called "pay to play" regulations, a single prohibited political contribution to a candidate or officeholder, political party, political action committee (i.e., PAC) or other political organization at practically every level of government (including local, state and federal(*14*)) may preclude the Firm from providing services to, or accepting placements from, the applicable government entity and may compel the Firm to reimburse compensation received by the Firm in connection with such services or placements.

Every Employee, and his/her Family Members, are to refrain from making or soliciting any contributions in any amount to any federal, state, county or local political campaign, candidate or officeholder, political party committee, PAC or other political organization of any nature, without the prior written approval of the CCO.

Any Employee (or Family Members) wishing to make or solicit any such contributions must submit a contribution request in writing to the CCO. Such submission shall include all pertinent information related to the proposed contribution, including, but not limited to, the amount of the contribution, the name of the intended recipient, the nature of the recipient candidacy, whether the proposed recipient holds an existing political office (whether local, state or federal), and whether the Employee is legally entitled to vote for the proposed recipient. *A sample pre-approval request form is attached as **Attachment I**.*

Because of the serious nature of the sanctions applicable to a pay to play violation, requests to make contributions to candidates seeking election to state and local offices generally will not be approved. In select instances, the CCO may grant an exception to this policy. Those instances may include situations where the Employee is legally entitled to vote for the candidate, in which case the request may be approved up to $250, or where it is clear that a proposed contribution to a state or local official is not only lawful, but clear of potential conflicts. In all instances, such exceptions will be logged, documented and preserved pursuant to applicable recordkeeping requirements.

(11) Contributions include cash, checks, gifts, subscriptions, loans, advances, deposits of money, "in kind" contributions (e.g., the provision of free professional services) or anything else of value provided for the purpose of influencing an election for a federal, state, or local office, including any payments for debts incurred in such an election.
(12) Solicitation of contributions encompasses any fundraising activity on behalf of a candidate, campaign, or political organization, including direct solicitation, hosting of events, and/or aggregating, coordinating, or "bundling" the contributions of others.
(13) All such spouses, domestic/civil union partners, and resident immediate family members are hereinafter referred to as "Family Members."
(14) Federal contributions are often acceptable, although may be problematic if they involve a candidate who is currently a state or municipal official. For this reason, proposed federal contributions are included under this policy and are not to be made without prior written authorization of the CCO.

The Firm expects that every Employee will explain the importance of compliance with this policy to his/her Family Members, and ensure their clear understanding of the obligation to follow these requirements. Moreover, the applicable laws in this area are complex and a trap for the unwary — no Employee should attempt to decide for him or herself whether a contribution is prohibited or permissible. Employees and Senior Advisors are responsible for complying with and tracking their own political contribution limits.

Indirect Violations

The pay to play laws also prohibit actions taken indirectly that the Firm or its Employees could not take directly without violating the law. For example, it is improper and unlawful to provide funds to a third party (such as a consultant or attorney) with the understanding that the third party will use such funds to make an otherwise prohibited contribution. Such indirect violations may trigger disqualification of the Firm and result in other sanctions, including possible criminal penalties. If any Employee learns of facts and circumstances suggesting a possible indirect violation, that Employee must report such facts and circumstances to the CCO immediately.

Periodic Disclosure

In order to ensure compliance with this policy, on a quarterly basis, every Employee must submit to the CCO a disclosure form and certification setting forth all political contributions made by the Employee and his/her Family Members for the previous two years or confirming that no such contributions have been made. *A sample disclosure form is attached as* ***Attachment J***. For each disclosed contribution, the CCO may require the Employee to provide associated documentation, including invitations, solicitations, correspondence, e-mails and cancelled checks and other documents reflecting payment. The CCO may also require that new Employees, prior to or upon commencement of employment, report to the CCO any political contributions made in the prior two (2) years in order to verify compliance with applicable pay to play laws or regulations.

CCO Supervision and Reporting

The CCO shall maintain a log of all requests to make political contributions and a record of all the determinations made by the CCO in connection therewith.

IV. SERVING AS OFFICERS, TRUSTEES, AND/OR DIRECTORS

Employees and Senior Advisors are often asked to serve as directors, trustees or officers of outside organizations. These organizations may include public or private corporations, limited and general partnerships, endowments, and foundations. Service with organizations outside of the Firm may, however, raise regulatory concerns, including creating potential conflicts of interest and providing access to material nonpublic information. As a result, Employees and Senior Advisors may not accept such requests without prior approval of the CCO, unless such request was made by New Mountain or New Mountain BDC. Prior CCO approval is also not required in cases in which Employees and Senior Advisers serve with charitable foundations, non-profit organizations or civic/trade associations, except where the service involves the provision of or input on investment advice (such as sitting on the investment committee of a non-profit organization).(15) *An approval form is attached as* ***Attachment K***.

(15) While service with charitable foundations, non-profit organizations or civic/trade associations is not subject to CCO approval, Employees and Senior Advisors should advise the CCO of any such engagements. The CCO shall maintain a log of such activities and monitor for conflicts if and as the CCO determines to be reasonably necessary and appropriate.

In certain instances, the Firm may determine that it is in the best interest of its Advisory Clients for an Employee or Senior Advisor to serve as an officer or director of an outside organization, including a portfolio company. For example, a portfolio company held by an Advisory Client may be undergoing a reorganization that may affect the value of the company's outstanding securities and the future direction of the company. By appointing an officer or director to the board of that portfolio company and taking a more active management role, the Firm may be in a better position to satisfy its fiduciary obligations to its Advisory Clients.

As an outside board member or officer, it is critical that Employees coordinate their service with the CCO to ensure appropriate protection of and conduct with respect to any confidential information. If Employee(s) and Senior Advisors are members of the board of directors of any company, including a portfolio company, specific trading restrictions may apply to both the Firm and its Employees. Additionally, in cases where New Mountain may have a business relationship with the outside organization or may seek a business relationship in the future, the Employee must be appropriately screened from involvement in any decision by New Mountain to enter into or to continue the business relationship with that organization.

Employees are prohibited from engaging in the outside activities described above without the prior written approval of the CCO in consultation with Senior Management. Approval will be granted on a case-by-case basis, subject to proper consideration and resolution of potential conflicts of interest. Outside activities will be approved only if any conflict of interest issues (actual or apparent) can be satisfactorily resolved. The CCO shall maintain a log of all outside activities of New Mountain Employees.

V. ACKNOWLEDGEMENT

Each Access Person must annually execute an acknowledgement with respect to the IA Compliance Manual, including this Policy (*in the form attached as **Attachment D***).

VI. REVIEW BY CCO

The CCO (or a Compliance Representative) will monitor and review pertinent documentation to review and verify compliance with this Policy. The results of this review may be reported to New Mountain's Senior Management and to New Mountain BDC's board of directors in connection with the CCO's periodic reports described elsewhere in this Code.

Adopted: May [ ], 2011

ATTACHMENTS

The following attachments are also available from the CCO and on the G: drive of New Mountain internal systems.

ATTACHMENT A

NMF
NEW MOUNTAIN FINANCE CORPORATION

EMPLOYEE INITIAL SECURITIES HOLDINGS REPORT AND CERTIFICATION
(This form must be completed and returned within 10 days of hire)

Statement to New Mountain by: _____ (please print your full name) Hire Date: _____

As of the date appearing above, the following are each and every **Reportable Security**(1) ***(Securities** other than **Exempt Securities**(2))* and account in which I have a direct or indirect Beneficial Ownership or other Beneficial Interest. For purposes of this report, the term Beneficial Ownership or Beneficial Interest shall mean ownership of securities or securities accounts by or for the benefit of a person, or such person's "Family Member", including any account in which the Employee or Family Member of that person holds a direct or indirect beneficial interest, or retains discretionary investment authority or other investment authority (e.g., a power of attorney). The term "Family Member" means any person's spouse, child or other relative, whether related by blood, marriage or otherwise, who either resides with, or is financially dependent upon, or whose investments are controlled by that person and any unrelated individual whose investments are controlled and whose financial support is materially contributed to by the person, such as a "significant other."

☐ ***I have no holdings to report.***

Name of Security/Type of Security	Amount (No of Shares or Principal Amount)	Nature of Interest Broker, Dealer (or Direct Ownership, Spouse, Control, Etc.)	Bank acting as Broker

I certify that the securities listed above, are the only Reportable Securities in which I or any Family Member (as defined in the IA Compliance Manual) have a direct or indirect beneficial ownership interest.

Employee Signature: _____ Date: _____ Reviewed by: _____

(1) **Reportable Security** means every Security (as defined in the IA Compliance Manual (the "Manual")) in which an Employee or a Family Member (as defined in the Manual) has a Beneficial Ownership (as defined in the Manual) or other Beneficial Interest (as defined in the Manual) except that a Reportable Security shall not include an

Exempt Security, as defined below.

(2) **Exempt Security** is any security that falls into any of the following categories: (i) registered open-end mutual fund shares; (ii) security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.); (iii) College Direct Savings Plans (e.g., NY 529 College Savings Program, etc.); (iv) Open-end Unit Investment Trusts that hold securities in proportion to a broad based market index (e.g., QQQ, Spiders); (v) bankers acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vi) treasury obligations (e.g., T-Bills, Notes and Bonds) or other securities issued/guaranteed by the US Government, its agencies, or instrumentalities (e.g., FNMA, GNMA, etc.).

Comments:

ATTACHMENT B

NEW MOUNTAIN FINANCE CORPORATION

EMPLOYEE QUARTERLY TRANSACTION REPORT
(Must be submitted no later than 30 days after the end of each Calendar Quarter)

Statement to New Mountain by _____ (Please print your full name)

The following are all **transactions** in *Reportable Securities*(1) (**not** including *Exempt Securities*(2)*)* effected during this quarter.

In lieu of listing every required transaction, an Employee may attach copies of order confirmations or account statements covering every reportable transaction for the period or may arrange with their broker-dealer to have them automatically forwarded to New Mountain Advisor. Notwithstanding this accommodation, it remains the Employee's sole responsibility to ensure that the required information is provided that accurately and completely reflect and disclose all reportable transactions during the period.

Title of Security	Exchange Ticker or CUSIP No.	No. of Shares	Principal Amt	Trade Date	Interest Rate and Maturity Date	Nature of Transaction (Purchase, Sale, etc.)	Price	Broker, Dealer or Bank Involved	Nature of Ownership (Direct Ownership, Spouse, Control, etc.)

Please check all that apply:

- ☐ During this quarter, I had no transactions in any Reportable Securities.
- ☐ All of my Reportable Securities transactions (if any) are reflected in brokerage statements and trade confirmations that are automatically forwarded to New Mountain Advisor.
- ☐ In addition to the Reportable Securities transactions listed in my brokerage statements and confirmations which are automatically forwarded to New Mountain, I engaged in the Reportable Securities transactions listed.

See footnotes on following page.

ATTACHMENT B

EMPLOYEE QUARTERLY TRANSACTION REPORT, continued
(Must be submitted no later than 30 days after the end of each Calendar Quarter)

Since the prior quarterly report, I have opened or closed the following accounts (including brokerage accounts and bank accounts used substantially as brokerage accounts): (If none, leave blank)

Account Name and Number	Firms Through Which Transactions Are Effected	Date Account Opened or Closed

Except as noted below, I am not aware of any personal conflict of interest which may involve any New Mountain Advisor Investor or Client, such as the existence of any economic relationship between my personal securities trading or holdings and securities/transactions involving any New Mountain Advisor Investor or Client. The names and affiliations of Family Members not previously reported to the CCO who are employed in the securities or commodities industries and who might be in a position to benefit directly or indirectly from the activities of New Mountain Advisor personnel in the discharge of their duties are as follows: (If none, leave blank)

Name	Relationship	Affiliations

I certify that the information provided in this report is complete and accurate.

Employee Signature: _____ Date: _____ Reviewed by: _____

(1) **Reportable Security** means every Security (as defined in the IA Compliance Manual (the "Manual")) in which an Employee or a Family Member (as defined in the Manual) has a Beneficial Ownership (as defined in the Manual) or other Beneficial Interest (as defined in the Manual) except that a Reportable Security shall not include an Exempt Security, as defined below.

(2) **Exempt Security** is any security that falls into any of the following categories: (i) registered open-end mutual fund shares; (ii) security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.); (iii) College Direct Savings Plans (e.g., NY 529 College Savings Program, etc.); (iv) Open-end Unit Investment Trusts that hold securities in proportion to a broad based market index (e.g., QQQ, Spiders); (v) bankers acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vi) treasury obligations (e.g., T-Bills, Notes and Bonds) or other securities issued/guaranteed by the US Government, its agencies, or instrumentalities (e.g., FNMA, GNMA, etc.).

ATTACHMENT C

NMF
NEW MOUNTAIN FINANCE CORPORATION

QUARTERLY TRANSACTION REPORT AND ANNUAL SECURITIES HOLDINGS CERTIFICATION
(Must be submitted no later than 30 days after the end of each Calendar Quarter/Year)

Statement to New Mountain by _____ (please print your full name)

The following are all **transactions** in **Reportable Securities(1)** (**Securities** other than **Exempt Securities(2)**) effected during this quarter. *In lieu of listing every required transaction, an Employee may attach a copy of the confirmation or account statement covering every reportable transaction for the period. Notwithstanding this accommodation, it remains the Employee's sole responsibility to ensure that the required information reflected in those documents is accurate and completely discloses all reportable transactions during the period.*

Title of Security/Type of Security	Exchange Ticker or CUSIP No.	No. of Shares	Principal Amount	Trade Date	Interest Rate and Maturity Date	Nature of Transaction (Purchase, Sale, etc.)	Price	Broker, Dealer or Bank Involved	Nature of Ownership (Direct Ownership, Spouse, Control, etc.)

Since the prior quarterly report, I have opened or closed the following accounts (including brokerage accounts and bank accounts used substantially as brokerage accounts):

Account Name and Number	Firms Through Which Transactions Are Effected	Date Account Opened or Closed

(1) **Reportable Security** means every Security (as defined in the IA Compliance Manual (the "Manual")) in which an Employee or a Family Member (as defined in the Manual) has a Beneficial Ownership (as defined in the Manual) or other Beneficial Interest (as defined in the Manual) except that a Reportable Security shall not include an Exempt Security, as defined below.

(2) **Exempt Security** is any security that falls into any of the following categories: (i) registered open-end mutual fund shares; (ii) security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.); (iii) College Direct Savings Plans (e.g., NY 529 College Savings Program, etc.); (iv) Open-end Unit Investment Trusts that hold securities in proportion to a broad based market index (e.g., QQQ, Spiders); (v) bankers acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vi) treasury obligations (e.g., T-Bills, Notes and Bonds) or other securities issued/guaranteed by the US Government, its agencies, or instrumentalities (e.g., FNMA, GNMA, etc.).

New Mountain Capital. Do not copy or distribute.

QUARTERLY TRANSACTION REPORT AND ANNUAL SECURITIES HOLDINGS CERTIFICATION, continued
(Must be submitted no later than 30 days after the end of each Calendar Quarter/Year)

Except as noted below, I am not aware of any personal conflict of interest which may involve any New Mountain Advisor Client or Investor, such as the existence of any economic relationship between my personal securities trading or holdings and securities/transactions involving any New Mountain Advisor Client or Investor. The names and affiliations of Family Members not previously reported to the CCO who are employed in the securities or commodities industries and who might be in a position to benefit directly or indirectly from the activities of New Mountain Advisor personnel in the discharge of their duties are as follows: (If none, leave blank)

Name	Affiliations

I certify that the following are all **holdings** of **Reportable Securities** (**Securities** other than **Exempt Securities**) Beneficially Owned by me or in which I have a Beneficial

Interest as of the year end December 31, 201 .*

Name of Security	Amount (No. of Shares or Principle Amount)	Nature of Interest (Direct Ownership, Spouse, Control, Etc.)	Broker, Dealer (or Bank acting as Broker)

In lieu of listing every required holding and transaction, an Employee may direct copies of order confirmations or account statements covering every reportable holding and transaction for a period. Notwithstanding this accommodation, it remains the Employee's sole responsibility to ensure that the required documents are sent to New Mountain Advisor and that they accurately and completely reflect all reportable transactions during the period.

☐ During this quarter, I had no holdings or transactions in any Reportable Securities.

☐ All of my holdings and Reportable Securities (as defined in the Manual) transactions (if any) are reflected in brokerage statements and trade confirmations that are automatically forwarded to New Mountain Advisor.

☐ In addition to the holdings and Reportable Securities transactions listed in my brokerage statements and confirmations which are automatically forwarded to New Mountain Advisor, I engaged in the Reportable Securities transactions listed above.

***I certify that the information provided in this report is complete and accurate.**

Employee Signature: _____ Date: _____ Reviewed by: _____

ATTACHMENT D

NEW MOUNTAIN FINANCE CORPORATION

Compliance Manual
Acknowledgement Form

To: Chief Compliance Officer ("**CCO**") of New Mountain ("**NM**" or the "**Firm**")

I. Investment Adviser Compliance Manual

I hereby acknowledge and affirm that:

(i) I have received NM's Investment Adviser Compliance Manual dated , 2011 (the "**Manual**"); and

(ii) I have reviewed, understand and will comply with the relevant portions of the Manual applicable to my position with the Firm, including specifically, the Code of Ethics and the policies listed below.

II. Personal Investment Policy

I hereby acknowledge and affirm that:

(i) I have reviewed NM's "Personal Investment Policy" and understand the requirements set forth therein;

(ii) I have complied with, and will continue to comply with, the Personal Investment Policy; and

(iii) I authorize the Firm to furnish the information contained in any report of securities transactions filed by me to such federal and state agencies as may be required by law or applicable rules and regulations.

III. Inside Information Policy

I hereby acknowledge and affirm that:

(i) I have reviewed NM's "Inside Information Policy" and understand the requirements set forth therein; and

(ii) I have complied with, and will continue to comply with the Inside Information Policy.

IV. The Gifts, Entertainment and Political Contributions Policy

I hereby acknowledge and affirm that:

(i) I have reviewed NM's "Gifts, Entertainment and Political Contributions Policy" and understand the requirements set forth therein; and

(ii) I have complied with, and will continue to comply with, the Gifts, Entertainment and Political Contributions Policy.

If I had any questions concerning the policies and procedures contained in the Manual and my responsibilities thereunder, I have raised them with the CCO and received satisfactory answers to my questions.

I understand that any violation(s) of the policies and procedures set forth in the Manual is grounds for immediate disciplinary action, which may include termination of employment, and may constitute a violation of applicable federal, state and local laws and regulations.

AFFIRMED AND ACKNOWLEDGED:

_____
Signature

_____
Print Name

_____
Date

ATTACHMENT E

NEW MOUNTAIN FINANCE CORPORATION

Date

{Brokerage Firm/Custodian Name/Address}

Re: {Account Name}
Account Number(s)

Dear {Name}:

As of {Date}, please send to the undersigned a duplicate confirmation of each transaction in the above named account and monthly brokerage account statements for the above named account.

Please mail the confirmations and account statements to:

New Mountain Capital
787 Seventh Avenue
New York, NY 10019-6018
Attn: Compliance

If you have any questions or concerns, please feel free to give me a call at {New Mountain Employee Tel#}. Thank you for your immediate attention to this matter.

Sincerely,

{New Mountain Employee Name}

cc: New Mountain Compliance Department

ATTACHMENT F

NEW MOUNTAIN FINANCE CORPORATION

NOTIFICATION OF BENEFITS/GIFTS RECEIVED FROM THIRD PARTIES IN EXCESS OF $500

Instructions: New Mountain Employees must give notice of the provision and/or receipt of certain benefits and/or gifts greater than $500 in value to or from a third party to the Chief Compliance Officer prior to giving or accepting any such benefit or gift (pursuant to the New Mountain Investment Adviser Compliance Manual). Recipients of benefits and/or gifts should complete and execute this form and submit to the CCO (or a Compliance Representative).

All gifts, and contributions (both political and charitable), to CalSTRS and CalPERS officers, employees or Board members are strictly prohibited regardless of value.

Background: _____

_____

_____

Recipient of Benefit: _____

Third Party Involved: _____

Name of Investor (s) Involved: _____

Date Benefit Received: _____

Identify Benefit and Estimated Value: _____

I certify and acknowledge that the above statements are true and correct to the best of my knowledge.

_____
Name: Date

ACKNOWLEDGED:

_____
Name: Date
CCO/Compliance Representative

ATTACHMENT G

NEW MOUNTAIN FINANCE CORPORATION

NOTIFICATION OF BUSINESS ENTERTAINMENT, MEALS OR EVENTS IN EXCESS OF $1,000

Instructions: Notice of the provision or receipt of business entertainment, meals or events greater than $1,000 in estimated value must be conveyed to the Chief Compliance Officer (or a Compliance Representative) prior to providing or accepting any such benefit or gift (pursuant to the guidelines of New Mountain's Investment Adviser Compliance Manual). Please complete this form and submit an executed copy to the attention of the CCO.

Background: _____

_____

_____

Persons Attending Meal/Event: _____

_____

Third Party Involved: _____

Name of Investor(s) Involved: _____

Date of Meal/Event: _____

Description of Meal/Event: _____

Will the third party/investor be present during the entire event stated above? Yes No

I certify and acknowledge that the above statements are true and correct to the best of my knowledge.

_____
Name: Date

ACKNOWLEDGEMENT:

_____
Name: Date

ATTACHMENT H

NEW MOUNTAIN FINANCE CORPORATION

POLITICAL CONTRIBUTION PRE-APPROVAL REQUEST FORM

Instructions: Every Employee of the Firm, his/her spouse, civil union partner, and/or immediate family member residing with such Employee is to refrain from making or soliciting any contributions in any amount to any federal, state, county, or local political campaign, candidate or officeholder, or organization of any nature, without the prior written approval of the Chief Compliance Officer. Any Employee (or his/her spouse, civil union partner, and/or resident family members) wishing to make or solicit any such contributions must complete this pre-approval request form providing the information below and enclosing all associated invitations, solicitations, correspondence, e-mails, and other documents received or sent by or on behalf of the Employee (or such related persons referenced above). The completed form and enclosure should be submitted to the Chief Compliance Officer.

Employee Name: _____ Date: _____

Name and Full Address of Contributor (you, your spouse, etc.)	Name and Full Address of Proposed Recipient	Office Sought or Political Organization Type (e.g., Governor, municipal political party committee, PAC)	Contribution Type (check, cash, loan or in-kind)	Contribution Date	Contribution Amount

Additional information relative to the proposed contribution:

_____

_____

_____

*** I hereby certify, to the best of my knowledge and belief, that the information set forth above is truthful, accurate and complete, that I have complied with the Firm's policies and procedures, including the Code of Ethics, and the Investment Advisers Act of 1940, and that I have no reason to believe that the contribution proposed herein would limit or disqualify the Firm from receiving compensation for providing services to, or accepting placements from, a government entity or any other investor or potential investor in the investment funds and accounts for which the Firm provides investment advisory services.**

Signature: _____

New Mountain Capital. Do not copy or distribute.

ATTACHMENT I

NEW MOUNTAIN FINANCE CORPORATION

POLITICAL CONTRIBUTION DISCLOSURE FORM

Instructions: Please set forth all political contributions in any amount made or solicited by you, your spouse or civil union partner, or immediate family members residing with you to any federal, state, county, or local political campaign, candidate or officeholder, or organization of any nature in the prior twenty-four months. (Note: Contributions that you have previously disclosed on prior disclosure forms need not be listed again.) For each disclosed contribution, please provide all associated documentation, including invitations, solicitations, correspondence, e-mails, and other documents, and any cancelled checks and other documents reflecting payment. If you have no such contributions to disclose, please check the box below.

Employee Name: _____ Date: _____

Name and Full Address of Contributor (you, your spouse, etc.)	Name and Full Address of Recipient	Office Sought or Political Organization Type (e.g., Governor, municipal political party committee, PAC)	Contribution Type (check, cash, loan or in-kind)	Contribution Date	Contribution Amount

☐ No such contributions were made or solicited by me, my spouse/civil union partner, or immediate family members residing with me in the prior twenty-four months.

*** I hereby certify, to the best of my knowledge and belief, that the information set forth above is truthful, accurate and complete, that I have complied with the Firm's policies and procedures, including the Code of Ethics, and the Investment Advisers Act of 1940, and that I have taken no action that would limit or**

disqualify the Firm from receiving compensation for providing services to, or accepting placements from, a government entity or any other investor or potential investor in the investment funds and accounts for which the Firm provides investment advisory services.

Signature: _____

ATTACHMENT J

NEW MOUNTAIN FINANCE CORPORATION

REQUEST FOR APPROVAL OF OUTSIDE ACTIVITIES

(1) Name of Firm/Description of Proposed Outside Activity:

_____

_____

(2) Will New Mountain's name (or the name of one of its affiliates) be used in connection with such activity (e.g., included in a biography)? Yes No

(3) Will you have a position as an officer or director? Yes No

(4) If "yes" to (3) above, will such organization maintain an officer's and director's liability policy in addition to any indemnification that you may be otherwise provided by such outside activity (provide details of any and all such coverage/indemnification):

_____

_____

_____

(5) Duties in connection with such activity: _____

_____

_____

(6) Estimated amount of time spent on such activity (yearly basis): _____

(7) Will you or any related party receive any economic benefit for your participation in such activity?

Yes No

If "yes", description of economic benefit: _____

_____

_____

I represent that (i) this activity does not violate any law or regulation, will not or does not interfere with my responsibilities to New Mountain, compete with or conflict with any interest of New Mountain; and (ii) I will bring to the attention of New Mountain any potential conflicts of interest that arise in connection with this activity.

_____

Name: Date

DISPOSTION OF PRE-APPROVAL REQUEST:
Request Approved Request Denied

_____

Name: Date