

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

**FORM 10-Q**

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the Quarterly Period Ended March 31, 2023**

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission  
File Number

814-00832

Exact name of registrant as specified in its charter, address of principal executive  
offices, telephone numbers and states or other jurisdictions of incorporation or organization

**New Mountain Finance Corporation**

1633 Broadway, 48th Floor  
New York, New York 10019  
Telephone: (212) 720-0300  
State of Incorporation: Delaware

I.R.S. Employer  
Identification Number

27-2978010

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	NMFC	The NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Description	Shares as of May 8, 2023
Common stock, par value \$0.01 per share	100,937,026

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2023  
TABLE OF CONTENTS

	<u>PAGE</u>	
<b><u>PART I. FINANCIAL INFORMATION</u></b>		
<u>Item 1.</u>	<u>Financial Statements</u>	
	<b><u>New Mountain Finance Corporation</u></b>	
	<u>Consolidated Statements of Assets and Liabilities as of March 31, 2023 (unaudited) and December 31, 2022</u>	3
	<u>Consolidated Statements of Operations for the three months ended March 31, 2023 (unaudited) and March 31, 2022 (unaudited)</u>	4
	<u>Consolidated Statements of Changes in Net Assets for the three months ended March 31, 2023 (unaudited) and March 31, 2022 (unaudited)</u>	5
	<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2023 (unaudited) and March 31, 2022 (unaudited)</u>	6
	<u>Consolidated Schedule of Investments as of March 31, 2023 (unaudited)</u>	7
	<u>Consolidated Schedule of Investments as of December 31, 2022</u>	35
	<u>Notes to the Consolidated Financial Statements of New Mountain Finance Corporation (unaudited)</u>	62
	<u>Report of Independent Registered Public Accounting Firm</u>	107
<u>Item 2.</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	108
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	130
<u>Item 4.</u>	<u>Controls and Procedures</u>	131
<b><u>PART II. OTHER INFORMATION</u></b>		132
<u>Item 1.</u>	<u>Legal Proceedings</u>	132
<u>Item 1A.</u>	<u>Risk Factors</u>	132
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	133
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	133
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	133
<u>Item 5.</u>	<u>Other Information</u>	133
<u>Item 6.</u>	<u>Exhibits</u>	134
	<u>Signatures</u>	135

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**New Mountain Finance Corporation**

**Consolidated Statements of Assets and Liabilities**  
**(in thousands, except shares and per share data)**  
(unaudited)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>		
Investments at fair value		
Non-controlled/non-affiliated investments (cost of \$2,578,975 and \$2,523,522, respectively)	\$ 2,453,534	\$ 2,400,425
Non-controlled/affiliated investments (cost of \$102,901 and \$85,971, respectively)	147,701	130,787
Controlled investments (cost of \$620,738 and \$650,474, respectively)	669,091	690,035
Total investments at fair value (cost of \$3,302,614 and \$3,259,967, respectively)	3,270,326	3,221,247
Securities purchased under collateralized agreements to resell (cost of \$30,000 and \$30,000, respectively)	16,539	16,539
Cash and cash equivalents	46,399	71,190
Interest and dividend receivable	34,288	36,154
Receivable from affiliates	91	—
Other assets	11,292	9,797
<b>Total assets</b>	<b>\$ 3,378,935</b>	<b>\$ 3,354,927</b>
<b>Liabilities</b>		
Borrowings		
Holdings Credit Facility	\$ 614,663	\$ 618,963
Unsecured Notes	441,500	531,500
Convertible Notes	377,135	316,853
SBA-guaranteed debentures	300,000	300,000
DB Credit Facility	186,400	186,400
NMFC Credit Facility	87,949	40,359
NMNLC Credit Facility II	3,120	3,785
Deferred financing costs (net of accumulated amortization of \$49,187 and \$47,531, respectively)	(16,699)	(17,199)
Net borrowings	1,994,068	1,980,661
Management fee payable	10,575	10,524
Incentive fee payable	9,597	6,296
Interest payable	20,566	19,627
Payable to affiliates	—	78
Deferred tax liability	2,988	8,487
Other liabilities	2,647	3,063
<b>Total liabilities</b>	<b>2,040,441</b>	<b>2,028,736</b>
<b>Commitments and contingencies (See Note 9)</b>		
<b>Net assets</b>		
Preferred stock, par value \$0.01 per share, 2,000,000 shares authorized, none issued	—	—
Common stock, par value \$0.01 per share, 200,000,000 shares authorized, and 100,937,026 and 100,937,026 shares issued and outstanding, respectively	1,009	1,009
Paid in capital in excess of par	1,305,889	1,305,945
Accumulated undistributed earnings	19,792	7,519
<b>Total net assets of New Mountain Finance Corporation</b>	<b>\$ 1,326,690</b>	<b>\$ 1,314,473</b>
Non-controlling interest in New Mountain Net Lease Corporation	11,804	11,718
<b>Total net assets</b>	<b>\$ 1,338,494</b>	<b>\$ 1,326,191</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,378,935</b>	<b>\$ 3,354,927</b>
Number of shares outstanding	100,937,026	100,937,026
<b>Net asset value per share of New Mountain Finance Corporation</b>	<b>\$ 13.14</b>	<b>\$ 13.02</b>

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Statements of Operations**  
(in thousands, except shares and per share data)  
(unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Investment income</b>		
From non-controlled/non-affiliated investments:		
Interest income (excluding Payment-in-kind ("PIK") interest income)	\$ 60,758	\$ 37,444
PIK interest income	3,944	3,302
Dividend income	47	48
Non-cash dividend income	4,166	3,085
Other income	1,918	1,631
From non-controlled/affiliated investments:		
Interest income (excluding PIK interest income)	9	255
PIK interest income	691	251
Non-cash dividend income	1,105	982
Other income	63	63
From controlled investments:		
Interest income (excluding PIK interest income)	1,444	1,656
PIK interest income	4,388	4,970
Dividend income	10,995	11,645
Non-cash dividend income	1,230	1,012
Other income	1,195	2,619
<b>Total investment income</b>	<b>91,953</b>	<b>68,963</b>
<b>Expenses</b>		
Interest and other financing expenses	30,796	18,637
Management fee	11,638	11,553
Incentive fee	9,597	7,477
Administrative expenses	1,048	1,209
Professional fees	965	937
Other general and administrative expenses	488	477
<b>Total expenses</b>	<b>54,532</b>	<b>40,290</b>
Less: management fee waived (See Note 5)	(1,063)	(1,092)
Less: expenses waived and reimbursed (See Note 5)	—	(238)
<b>Net expenses</b>	<b>53,469</b>	<b>38,960</b>
<b>Net investment income before income taxes</b>	<b>38,484</b>	<b>30,003</b>
Income tax expense	96	95
<b>Net investment income</b>	<b>38,388</b>	<b>29,908</b>
Net realized gains (losses):		
Non-controlled/non-affiliated investments	(1,308)	(70)
Controlled investments	1,973	19,242
Foreign currency	12	345
Net change in unrealized appreciation (depreciation):		
Non-controlled/non-affiliated investments	(2,929)	(4,524)
Non-controlled/affiliated investments	(16)	10,759
Controlled investments	8,797	(16,168)
Securities purchased under collateralized agreements to resell	—	(2,021)
Foreign currency	26	(422)
Provision for taxes	(131)	(2)
<b>Net realized and unrealized gains</b>	<b>6,424</b>	<b>7,139</b>
<b>Net increase in net assets resulting from operations</b>	<b>44,812</b>	<b>37,047</b>
Less: Net increase in net assets resulting from operations related to non-controlling interest in New Mountain Net Lease Corporation	(239)	(855)
<b>Net increase in net assets resulting from operations related to New Mountain Finance Corporation</b>	<b>\$ 44,573</b>	<b>\$ 36,192</b>
Basic earnings per share	\$ 0.44	\$ 0.37
Weighted average shares of common stock outstanding - basic (See Note 11)	100,937,026	98,413,476
Diluted earnings per share	\$ 0.40	\$ 0.34
Weighted average shares of common stock outstanding - diluted (See Note 11)	123,591,432	111,671,062
Distributions declared and paid per share	\$ 0.32	\$ 0.30

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Statements of Changes in Net Assets**  
**(in thousands, except shares and per share data)**  
(unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Increase (decrease) in net assets resulting from operations:</b>		
Net investment income	\$ 38,388	\$ 29,908
Net realized gains on investments and foreign currency	677	19,517
Net change in unrealized appreciation (depreciation) of investments and foreign currency	5,878	(10,355)
Net change in unrealized depreciation of securities purchased under collateralized agreements to resell	—	(2,021)
Provision for taxes	(131)	(2)
Net increase in net assets resulting from operations	44,812	37,047
Less: Net increase in net assets resulting from operations related to non-controlling interest in New Mountain Net Lease Corporation ("NMNLC")	(239)	(855)
<b>Net increase in net assets resulting from operations related to New Mountain Finance Corporation</b>	<b>44,573</b>	<b>36,192</b>
<b>Capital transactions</b>		
Net proceeds from shares sold	—	20,474
Offering costs	(56)	(52)
Distributions declared to stockholders from net investment income	(32,300)	(29,589)
Reinvestment of distributions	—	1,098
<b>Total net decrease in net assets resulting from capital transactions</b>	<b>(32,356)</b>	<b>(8,069)</b>
<b>Net increase in net assets</b>	<b>12,217</b>	<b>28,123</b>
<b>New Mountain Finance Corporation net assets at the beginning of the period</b>	<b>1,314,473</b>	<b>1,321,245</b>
<b>New Mountain Finance Corporation net assets at the end of the period</b>	<b>1,326,690</b>	<b>1,349,368</b>
Non-controlling interest in NMNLC	11,804	18,472
<b>Net assets at the end of the period</b>	<b>\$ 1,338,494</b>	<b>\$ 1,367,840</b>
<b>Capital share activity</b>		
Shares sold	—	1,511,836
Shares issued from the reinvestment of distributions	—	79,285
<b>Net increase in shares outstanding</b>	<b>—</b>	<b>1,591,121</b>

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Statements of Cash Flows**  
**(in thousands)**  
(unaudited)

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Cash flows from operating activities</b>		
Net increase in net assets resulting from operations	\$ 44,812	\$ 37,047
Adjustments to reconcile net increase in net assets resulting from operations to net cash (used in) provided by operating activities:		
Net realized gains on investments	(665)	(19,172)
Net realized gains on translation of assets and liabilities in foreign currencies	(12)	(345)
Net change in unrealized (appreciation) depreciation of investments	(5,852)	9,933
Net change in unrealized (appreciation) depreciation on translation of assets and liabilities in foreign currencies	(26)	422
Net change in unrealized depreciation of securities purchased under collateralized agreements to resell	—	2,021
Amortization of purchase discount	(1,644)	(1,393)
Amortization of deferred financing costs	1,637	1,692
Amortization of premium on Convertible Notes	(18)	(26)
Non-cash investment income	(16,270)	(12,122)
<b>(Increase) decrease in operating assets:</b>		
Purchase of investments and delayed draw facilities	(94,352)	(153,863)
Proceeds from sales and paydowns of investments	67,651	93,302
Cash received for purchase of undrawn portion of revolving credit or delayed draw facilities	110	83
Cash paid for purchase of drawn portion of revolving credit facilities	—	(32)
Cash paid on drawn revolvers	(6,507)	(8,438)
Cash repayments on drawn revolvers	9,046	8,419
Interest and dividend receivable	1,861	(3,892)
Receivable from affiliates	(91)	—
Other assets	(1,495)	(4,268)
<b>Increase (decrease) in operating liabilities:</b>		
Management fee payable	51	10,461
Incentive fee payable	3,301	7,477
Payable for unsettled securities purchased	—	(5,910)
Payable to affiliates	(78)	678
Interest payable	939	(7,187)
Deferred tax liability	(5,499)	1
Other liabilities	(403)	(58)
<b>Net cash flows used in operating activities</b>	<b>(3,504)</b>	<b>(45,170)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from shares sold	—	20,474
Offering costs paid	(17)	(21)
Distributions paid	(32,300)	(28,491)
Proceeds from Holdings Credit Facility	29,000	55,000
Repayment of Holdings Credit Facility	(33,300)	(24,000)
Proceeds from Convertible Notes	60,300	—
Repayment of Unsecured Notes	(90,000)	—
Proceeds from NMFC Credit Facility	157,000	61,349
Repayment of NMFC Credit Facility	(110,000)	(56,000)
Proceeds from DB Credit Facility	—	20,000
Repayment of DB Credit Facility	—	(22,000)
Proceeds from NMNLC Credit Facility II	1,682	—
Repayment of NMNLC Credit Facility II	(2,347)	—
Distributions related to non-controlling interest in NMNLC	(153)	(3,750)
Deferred financing costs paid	(1,189)	(14)
<b>Net cash flows (used in) provided by financing activities</b>	<b>(21,324)</b>	<b>22,547</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(24,828)</b>	<b>(22,623)</b>
Effect of foreign exchange rate changes on cash and cash equivalents	37	(78)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>71,190</b>	<b>58,077</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 46,399</b>	<b>\$ 35,376</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash interest paid	\$ 27,794	\$ 23,703
Income taxes paid	5,713	9
<b>Non-cash operating activities:</b>		
Non-cash activity on investments	\$ 15,582	\$ —
<b>Non-cash financing activities:</b>		
Value of shares reissued from repurchase program in connection with the distribution reinvestment plan	\$ —	\$ 1,098
Accrual for offering costs	124	42
Accrual for deferred financing costs	84	1

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments**  
**March 31, 2023**  
(in thousands, except shares)  
(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Non-Controlled/Non-Affiliated Investments</b>										
<b>Funded Debt Investments - United States</b>										
GS Acquisitionco, Inc.										
Software	First lien (2)(15)	SOFR(Q)	5.75%	10.80%	08/2019	05/2026	\$ 67,102	\$ 66,913	\$ 66,504	
	First lien (5)(15)	SOFR(Q)	5.75%	10.80%	08/2019	05/2026	21,689	21,631	21,497	
								88,544	88,001	6.57 %
Paw Midco, Inc.										
AAH Topco, LLC										
Consumer Services	First lien (8)(15)	L(M)	5.50%	10.34%	12/2021	12/2027	20,582	20,412	20,509	
	First lien (2)(15)(18) - Drawn	L(M)	5.50%	10.25%	12/2021	12/2027	17,078	17,002	17,019	
	First lien (4)(15)	L(M)	5.50%	10.34%	01/2022	12/2027	9,772	9,691	9,738	
	First lien (4)(15)(18) - Drawn	L(M)	5.50%	10.25%	12/2021	12/2027	5,541	5,516	5,521	
	Subordinated (3)(15)	FIXED(Q)*	11.50%/PIK	11.50%	12/2021	12/2031	12,857	12,703	12,361	
	Subordinated (4)(15)	FIXED(Q)*	11.50%/PIK	11.50%	01/2022	12/2031	5,042	4,982	4,848	
								70,306	69,996	5.23 %
PhyNet Dermatology LLC										
Healthcare	First lien (2)(15)	SOFR(S)	6.25%	11.58%	09/2018	08/2024	49,160	49,028	49,159	
	First lien (2)(15)	SOFR(S)	6.25%	11.66%	09/2018	08/2024	18,655	18,615	18,655	
								67,643	67,814	5.07 %
GC Waves Holdings, Inc.										
Financial Services	First lien (5)(15)	L(M)	5.50%	10.34%	08/2021	08/2026	21,830	21,743	21,829	
	First lien (2)(15)(18) - Drawn	L(M)	5.50%	10.34%	04/2022	08/2026	16,873	16,719	16,873	
	First lien (2)(15)	L(M)	5.50%	10.34%	08/2021	08/2026	13,177	13,105	13,177	
	First lien (2)(15)	L(M)	5.50%	10.34%	08/2021	08/2026	10,524	10,443	10,524	
	First lien (3)(15)(18) - Drawn	L(M)	5.50%	10.34%	10/2019	08/2026	988	980	988	
								62,990	63,391	4.74 %
Associations, Inc.										
Business Services	First lien (2)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	11.36%	07/2021	07/2027	36,014	35,890	36,014	
	First lien (8)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	11.47%	07/2021	07/2027	8,865	8,831	8,865	
	First lien (2)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	11.55%	07/2021	07/2027	8,865	8,830	8,865	
	First lien (8)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	11.48%	07/2021	07/2027	5,355	5,335	5,355	
	First lien (8)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	11.38%	07/2021	07/2027	4,260	4,245	4,260	
								63,131	63,359	4.73 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Knockout Intermediate Holdings I Inc. (41)										
Kaseya Inc.										
Software	First lien (2)(15)	SOFR(Q)	5.75%	10.65%	06/2022	06/2029	\$ 63,093	\$ 62,659	\$ 62,620	4.68 %
iCIMS, Inc.										
Software	First lien (8)(15)	SOFR(Q)*	3.88%/PIK + 3.38%	12.05%	08/2022	08/2028	44,740	44,382	44,498	
	First lien (2)(15)	SOFR(Q)	7.25%	12.05%	10/2022	08/2028	7,366	7,305	7,365	
								51,687	51,863	3.87 %
CentralSquare Technologies, LLC										
Software	Second lien (3)	L(Q)	7.50%	12.66%	08/2018	08/2026	47,838	47,523	41,380	
	Second lien (8)	L(Q)	7.50%	12.66%	08/2018	08/2026	7,500	7,451	6,488	
								54,974	47,868	3.58 %
Brave Parent Holdings, Inc.										
Software	Second lien (5)(15)	L(M)	7.50%	12.34%	04/2018	04/2026	22,500	22,447	21,798	
	Second lien (2)(15)	L(M)	7.50%	12.34%	04/2018	04/2026	16,624	16,545	16,104	
	Second lien (8)(15)	L(M)	7.50%	12.34%	04/2018	04/2026	6,000	5,971	5,812	
								44,963	43,714	3.27 %
IG Intermediateco LLC										
Infogain Corporation										
Business Services	First lien (2)(15)	SOFR(M)	5.75%	10.66%	07/2021	07/2028	18,850	18,736	18,705	
	First lien (8)(15)	SOFR(M)	5.75%	10.59%	07/2022	07/2028	7,904	7,832	7,843	
	Subordinated (3)(15)	SOFR(Q)	8.25%	13.25%	07/2022	07/2029	17,245	17,044	16,643	
								43,612	43,191	3.23 %
Deca Dental Holdings LLC										
Healthcare	First lien (2)(15)	L(Q)	5.75%	10.91%	08/2021	08/2028	37,765	37,456	35,714	
	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	10.91%	08/2021	08/2028	3,975	3,941	3,759	
	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	10.91%	08/2021	08/2027	2,825	2,797	2,672	
								44,194	42,145	3.15 %
Recorded Future, Inc.										
Software	First lien (8)(15)	L(Q)	5.25%	10.40%	08/2019	07/2025	24,406	24,299	24,282	
	First lien (2)(15)	L(Q)	5.25%	10.40%	03/2021	07/2025	12,620	12,562	12,556	
								36,861	36,838	2.75 %
Auctane Inc. (fka Stamps.com Inc.)										
Software	First lien (8)(15)	L(M)	5.75%	10.59%	10/2021	10/2028	22,013	21,831	21,890	
	First lien (2)(15)	L(M)	5.75%	10.59%	10/2021	10/2028	14,887	14,764	14,804	
								36,595	36,694	2.74 %
Avalara, Inc.										
Software	First lien (8)(15)	SOFR(Q)	7.25%	12.15%	10/2022	10/2028	22,500	22,234	22,473	
	First lien (2)(15)	SOFR(Q)	7.25%	12.15%	10/2022	10/2028	12,880	12,728	12,865	
								34,962	35,338	2.64 %

The accompanying notes are an integral part of these consolidated financial statements.



New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
OEC Holdco, LLC (22)										
OEConnection LLC										
Software	Second lien (2)(15)	SOFR(M)	7.00%	11.91%	12/2021	09/2027	\$ 23,406	\$ 23,214	\$ 22,933	
	Second lien (2)(15)	SOFR(M)	7.00%	11.91%	09/2019	09/2027	12,044	11,966	11,801	
								<u>35,180</u>	<u>34,734</u>	2.60 %
MRI Software LLC										
Software	First lien (5)(15)	L(Q)	5.50%	10.66%	01/2020	02/2026	21,823	21,766	21,273	
	First lien (3)(15)	L(Q)	5.50%	10.66%	03/2021	02/2026	5,224	5,212	5,092	
	First lien (2)(15)	L(Q)	5.50%	10.66%	03/2021	02/2026	4,604	4,595	4,488	
	First lien (2)(15)	L(Q)	5.50%	10.66%	01/2020	02/2026	3,164	3,156	3,085	
	First lien (3)(15)	L(Q)	5.50%	10.66%	01/2020	02/2026	808	805	787	
								<u>35,534</u>	<u>34,725</u>	2.59 %
Foreside Financial Group, LLC										
Business Services	First lien (2)(15)	SOFR(Q)	5.50%	10.54%	05/2022	09/2027	33,954	33,658	33,615	
	First lien (3)(15)	SOFR(Q)	5.50%	10.54%	05/2022	09/2027	139	138	138	
								<u>33,796</u>	<u>33,753</u>	2.52 %
DCA Investment Holding, LLC										
Healthcare	First lien (2)(15)	SOFR(Q)	6.41%	11.30%	03/2021	04/2028	19,605	19,496	19,238	
	First lien (2)(15)	SOFR(Q)	6.41%	11.30%	02/2022	04/2028	10,293	10,243	10,100	
	First lien (2)(15)	SOFR(Q)	6.41%	11.25%	03/2021	04/2028	3,278	3,262	3,216	
	First lien (3)(15)(18) - Drawn	SOFR(S)	6.50%	11.24%	12/2022	04/2028	1,038	1,022	1,028	
								<u>34,023</u>	<u>33,582</u>	2.51 %
Anaplan, Inc.										
Software	First lien (2)(15)	SOFR(M)	6.50%	11.31%	06/2022	06/2029	33,618	33,308	33,282	2.49 %
Diamond Parent Holdings Corp. (35)										
Diligent Corporation										
Software	First lien (2)(15)	L(M)	5.75%	10.59%	03/2021	08/2025	17,539	17,489	16,958	
	First lien (2)(15)	L(M)	5.75%	10.59%	03/2021	08/2025	9,780	9,752	9,456	
	First lien (3)(15)	L(M)	6.25%	11.09%	12/2018	08/2025	5,812	5,794	5,650	
	First lien (3)(15)(18) - Drawn	L(M)	6.25%	11.08%	03/2021	08/2025	1,087	1,082	1,057	
								<u>34,117</u>	<u>33,121</u>	2.47 %
Granicus, Inc.										
Software	First lien (4)(15)	L(M)*	5.50% + 1.50%/PIK	11.84%	01/2021	01/2027	15,403	15,323	15,403	
	First lien (8)(15)	L(M)*	5.50% + 1.50%/PIK	11.84%	01/2021	01/2027	5,958	5,926	5,958	
	First lien (2)(15)	L(M)*	5.50% + 1.50%/PIK	11.84%	01/2021	01/2027	5,877	5,846	5,877	
	First lien (2)(15)	L(M)	6.00%	10.84%	04/2021	01/2027	4,565	4,528	4,565	
	First lien (3)(15)(18) - Drawn	L(M)	6.50%	11.18%	01/2021	01/2027	1,269	1,259	1,269	
								<u>32,882</u>	<u>33,072</u>	2.47 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
IG Investments Holdings, LLC										
Business Services	First lien (2)(15)	L(Q)	6.00%	10.86%	09/2021	09/2028	\$ 29,060	\$ 28,819	\$ 28,766	
	First lien (2)(15)	L(Q)	6.00%	10.83%	02/2022	09/2028	4,246	4,228	4,203	
								33,047	32,969	2.46 %
EAB Global, Inc.										
Education	Second lien (2)(15)	L(M)	6.50%	11.28%	08/2021	08/2029	33,452	33,029	32,603	2.44 %
KAMC Holdings, Inc.										
Business Services	Second lien (2)(15)	L(Q)	8.00%	12.88%	08/2019	08/2027	18,750	18,661	15,937	
	Second lien (8)(15)	L(Q)	8.00%	12.88%	08/2019	08/2027	18,750	18,661	15,937	
								37,322	31,874	2.38 %
Wealth Enhancement Group, LLC										
Financial Services	First lien (2)(15)	SOFR(S)	6.25%	11.12%	08/2021	10/2027	18,901	18,851	18,901	
	First lien (2)(15)(18) - Drawn	SOFR(S)	6.25%	10.92%	05/2022	10/2027	9,688	9,680	9,688	
	First lien (2)(15)	SOFR(Q)	6.25%	11.26%	01/2022	10/2027	1,250	1,240	1,250	
	First lien (2)(15)	SOFR(S)	6.25%	11.06%	01/2022	10/2027	839	832	839	
								30,603	30,678	2.29 %
TigerConnect, Inc.										
Healthcare	First lien (8)(15)	SOFR(Q)*	3.63% + 3.63%/PIK	12.08%	02/2022	02/2028	29,868	29,614	29,722	
	First lien (2)(15)(18) - Drawn	SOFR(Q)*	3.63% + 3.63%/PIK	12.08%	02/2022	02/2028	556	556	553	
								30,170	30,275	2.26 %
OA Topco, L.P. (40)										
OA Buyer, Inc.										
Healthcare	First lien (2)(15)	SOFR(M)	5.75%	10.56%	12/2021	12/2028	27,919	27,679	27,741	
	First lien (2)(15)	SOFR(M)	5.75%	10.56%	05/2022	12/2028	1,767	1,751	1,756	
								29,430	29,497	2.20 %
Fortis Solutions Group, LLC										
Packaging	First lien (2)(15)	L(M)	5.50%	10.34%	10/2021	10/2028	17,485	17,335	17,099	
	First lien (8)(15)	L(M)	5.50%	10.34%	10/2021	10/2028	10,170	10,086	9,945	
	First lien (3)(15)	L(M)	5.50%	10.34%	10/2021	10/2028	873	864	854	
	First lien (3)(15)(18) - Drawn	L(M)	5.50%	10.34%	10/2021	10/2027	381	378	372	
	First lien (3)(15)(18) - Drawn	L(M)	5.50%	10.34%	10/2021	10/2028	81	80	79	
	First lien (3)(15)(18) - Drawn	L(M)	5.50%	10.34%	06/2022	10/2028	29	29	29	
								28,772	28,378	2.12 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

<b>Portfolio Company, Location and Industry (1)</b>	<b>Type of Investment</b>	<b>Reference</b>	<b>Spread</b>	<b>Interest Rate (19)</b>	<b>Acquisition Date</b>	<b>Maturity / Expiration Date</b>	<b>Principal Amount, Par Value or Shares (17)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percent of Net Assets</b>
Foundational Education Group, Inc.										
Education	Second lien (5)(15)	SOFR(Q)	6.50%	11.66%	08/2021	08/2029	\$ 22,500	\$ 22,404	\$ 21,128	
	Second lien (2)(15)	SOFR(Q)	6.50%	11.66%	08/2021	08/2029	7,009	6,987	6,581	
								<u>29,391</u>	<u>27,709</u>	2.07 %
Syndigo LLC										
Software	Second lien (4)(15)	L(S)	8.00%	13.21%	12/2020	12/2028	22,500	22,367	21,085	
	Second lien (2)(15)	L(S)	8.00%	13.21%	02/2022	12/2028	5,697	5,709	5,339	
								<u>28,076</u>	<u>26,424</u>	1.97 %
AmeriVet Partners Management, Inc.										
Consumer Services	First lien (2)(15)	SOFR(Q)	5.50%	10.55%	02/2022	02/2028	22,265	22,170	22,056	
	First lien (2)(15)	SOFR(Q)	5.50%	10.55%	02/2022	02/2028	4,014	3,995	3,976	
	First lien (3)(15)(18) - Drawn	SOFR(Q)	5.50%	10.55%	02/2022	02/2028	303	358	300	
								<u>26,523</u>	<u>26,332</u>	1.97 %
NMC Crimson Holdings, Inc.										
Healthcare	First lien (8)(15)	L(Q)	6.00%	10.75%	03/2021	03/2028	19,259	19,041	19,259	
	First lien (2)(15)	L(Q)	6.00%	10.75%	03/2021	03/2028	4,913	4,857	4,913	
	First lien (3)(15)(18) - Drawn	L(Q)	6.00%	10.95%	03/2021	03/2028	1,635	1,612	1,635	
								<u>25,510</u>	<u>25,807</u>	1.93 %
DOCS, MSO, LLC										
Healthcare	First lien (8)(15)	SOFR(S)	5.75%	10.54%	06/2022	06/2028	18,666	18,666	18,502	
	First lien (4)(15)	SOFR(S)	5.75%	10.54%	06/2022	06/2028	6,990	6,990	6,929	
								<u>25,656</u>	<u>25,431</u>	1.90 %
VT Topco, Inc.										
Business Services	Second lien (2)(15)	L(M)	6.75%	11.59%	07/2021	07/2026	16,183	16,140	15,568	
	Second lien (4)(15)	L(M)	6.75%	11.59%	08/2018	07/2026	10,000	9,987	9,620	
								<u>26,127</u>	<u>25,188</u>	1.88 %
HS Purchaser, LLC / Help/Systems Holdings, Inc.										
Software	Second lien (5)(15)	SOFR(M)	6.75%	11.66%	11/2019	11/2027	22,500	22,420	21,204	
	Second lien (2)(15)	SOFR(M)	6.75%	11.66%	11/2019	11/2027	4,208	4,180	3,966	
								<u>26,600</u>	<u>25,170</u>	1.88 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Idera, Inc.										
Software	Second lien (4)(15)	L(Q)	6.75%	11.51%	06/2019	03/2029	\$ 22,500	\$ 22,250	\$ 21,823	
	Second lien (3)(15)	L(Q)	6.75%	11.51%	04/2021	03/2029	3,000	2,988	2,910	
								25,238	24,733	1.85 %
CRCI Longhorn Holdings, Inc.										
Business Services	Second lien (3)(15)	L(M)	7.25%	12.09%	08/2018	08/2026	18,266	18,231	17,420	
	Second lien (8)(15)	L(M)	7.25%	12.09%	08/2018	08/2026	7,500	7,486	7,153	
								25,717	24,573	1.84 %
ACI Parent Inc. (36)										
ACI Group Holdings, Inc.										
Healthcare	First lien (2)(15)	L(M)*	4.50% + 1.25%/PIK	10.59%	08/2021	08/2028	22,096	21,919	21,248	
	First lien (3)(15)(18) - Drawn	L(M)*	4.50% + 1.25%/PIK	10.59%	08/2021	08/2028	3,361	3,330	3,232	
								25,249	24,480	1.83 %
Xactly Corporation										
Software	First lien (4)(15)	SOFR(Q)	7.25%	12.11%	07/2017	07/2025	22,500	22,462	22,500	1.68 %
Convey Health Solutions, Inc.										
Healthcare	First lien (4)(15)	SOFR(Q)	5.25%	10.25%	09/2019	09/2026	19,167	19,049	19,168	
	First lien (4)(15)	SOFR(Q)	5.25%	10.25%	02/2022	09/2026	3,200	3,163	3,200	
								22,212	22,368	1.67 %
AAC Lender Holdings, LLC (33)										
American Achievement Corporation (aka AAC Holding Corp.)										
Education	First lien (2)(15)	L(M)(43)*	5.75%/PIK + 0.50%	10.92%	09/2015	09/2026	29,251	29,212	21,847	
	First lien (3)(15)	L(M)(43)*	13.50%/PIK + 0.50%	18.67%	06/2021	09/2026	1,527	1,527	—	
	Subordinated (3)(15)	L(Q)(43)*	1.00%/PIK	5.76%	03/2021	09/2026	5,230	—	—	
								30,739	21,847	1.63 %
Bullhorn, Inc.										
Software	First lien (2)(15)	L(Q)	5.75%	10.91%	09/2019	09/2026	16,616	16,548	16,616	
	First lien (2)(15)	L(Q)	5.75%	10.91%	10/2021	09/2026	3,433	3,426	3,433	
	First lien (2)(15)	L(Q)	5.75%	10.91%	09/2019	09/2026	769	765	769	
	First lien (2)(15)	L(Q)	5.75%	10.91%	09/2019	09/2026	345	343	345	
	First lien (2)(15)	L(Q)	5.75%	10.91%	09/2019	09/2026	275	273	275	
								21,355	21,438	1.60 %
Spring Education Group, Inc (fka SSH Group Holdings, Inc.)										
Education	Second lien (2)(15)	L(Q)	8.25%	13.41%	07/2018	07/2026	21,959	21,929	21,405	1.60 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
TMK Hawk Parent, Corp.										
Distribution & Logistics	First lien (2)(15)	L(Q)	3.50%	8.46%	06/2019	08/2024	\$ 16,353	\$ 15,563	\$ 10,840	
	First lien (8)(15)	L(Q)	3.50%	8.46%	10/2019	08/2024	15,772	14,805	10,453	
								30,368	21,293	1.59 %
Cardinal Parent, Inc.										
Software	First lien (4)(15)	L(Q)	4.50%	9.66%	10/2020	11/2027	11,944	11,880	11,136	
	Second lien (4)(15)	L(Q)	7.75%	12.90%	11/2020	11/2028	9,767	9,691	9,439	
								21,571	20,575	1.54 %
YLG Holdings, Inc.										
Business Services	First lien (5)(15)	L(S)	5.00%	9.74%	11/2019	10/2025	17,815	17,772	17,297	
	First lien (5)(15)	L(S)	5.00%	9.80%	11/2019	10/2025	2,320	2,314	2,253	
	First lien (5)(15)(18) - Drawn	SOFR(Q)	5.00%	9.96%	10/2021	10/2025	794	800	771	
								20,886	20,321	1.52 %
Notorious Topco, LLC										
Consumer Products	First lien (8)(15)	SOFR(Q)	6.75%	11.58%	11/2021	11/2027	10,026	9,964	9,576	
	First lien (8)(15)	SOFR(Q)	6.75%	11.58%	05/2022	11/2027	9,900	9,835	9,455	
	First lien (3)(15)(18) - Drawn	SOFR(Q)	6.75%	11.58%	11/2021	11/2027	874	871	834	
	First lien (3)(15)(18) - Drawn	SOFR(Q)	6.75%	11.58%	11/2021	05/2027	176	175	169	
								20,845	20,034	1.50 %
FS WhiteWater Holdings, LLC (38)										
FS WhiteWater Borrower, LLC										
Consumer Services	First lien (5)(15)	SOFR(Q)	5.75%	10.80%	12/2021	12/2027	10,369	10,283	10,129	
	First lien (5)(15)	SOFR(Q)	5.75%	10.73%	12/2021	12/2027	3,480	3,449	3,400	
	First lien (5)(15)	SOFR(Q)	5.75%	10.80%	12/2021	12/2027	3,458	3,430	3,378	
	First lien (3)(15)(18) - Drawn	SOFR(Q)	5.75%	10.72%	12/2021	12/2027	945	936	923	
	First lien (3)(15)(18) - Drawn	L(Q)	6.00%	10.82%	07/2022	12/2027	1,566	1,593	1,551	
								19,691	19,381	1.45 %
New Trojan Parent, Inc.										
Healthcare	Second lien (2)(15)	L(M)	7.25%	12.09%	01/2021	01/2029	26,762	26,656	18,924	1.41 %
Bluefin Holding, LLC										
Software	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	10.88%	09/2019	09/2024	606	597	595	
	Second lien (8)(15)	L(Q)	7.75%	12.70%	09/2019	09/2027	18,000	18,000	17,559	
								18,597	18,154	1.36 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

<b>Portfolio Company, Location and Industry (1)</b>	<b>Type of Investment</b>	<b>Reference</b>	<b>Spread</b>	<b>Interest Rate (19)</b>	<b>Acquisition Date</b>	<b>Maturity / Expiration Date</b>	<b>Principal Amount, Par Value or Shares (17)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percent of Net Assets</b>
Trinity Air Consultants Holdings Corporation										
Business Services	First lien (2)(15)	L(S)	5.25%	10.18%	06/2021	06/2027	\$ 15,382	\$ 15,266	\$ 15,257	
	First lien (2)(15)(18) - Drawn	L(S)	5.25%	10.34%	06/2021	06/2027	2,889	2,865	2,865	
								18,131	18,122	1.35 %
DG Investment Intermediate Holdings 2, Inc.										
Business Services	Second lien (3)	L(M)	6.75%	11.59%	03/2021	03/2029	20,313	20,271	17,983	1.34 %
Pioneer Topco I, L.P. (39)										
Pioneer Buyer I, LLC										
Software	First lien (8)(15)	SOFR(Q)*	7.00%/PIK	11.90%	11/2021	11/2028	15,341	15,228	15,246	
	First lien (8)(15)	SOFR(Q)*	7.00%/PIK	11.90%	03/2022	11/2028	2,103	2,086	2,090	
								17,314	17,336	1.30 %
Groundworks, LLC										
Consumer Services	First lien (4)	SOFR(M)	6.50%	11.36%	03/2023	03/2030	17,338	17,079	17,078	1.28 %
The Kleinfelder Group, Inc.										
Business Services	First lien (4)(15)	L(Q)	5.25%	10.41%	12/2018	11/2024	16,489	16,463	16,488	1.23 %
Coyote Buyer, LLC										
Specialty Chemicals & Materials	First lien (5)(15)	L(S)	6.00%	11.10%	03/2020	02/2026	13,760	13,722	13,760	
	First lien (5)(15)	L(M)	8.00%	12.84%	10/2020	08/2026	2,476	2,460	2,476	
								16,182	16,236	1.21 %
MED Parentco, LP										
Healthcare	Second lien (8)	L(M)	8.25%	13.09%	08/2019	08/2027	20,857	20,756	16,164	1.21 %
Kele Holdco, Inc.										
Distribution & Logistics	First lien (5)(15)	L(M)	5.25%	9.95%	02/2020	02/2026	15,747	15,705	15,747	1.18 %
Oranje Holdco, Inc.										
Software	First lien (8)(15)	SOFR(Q)	7.75%	12.43%	02/2023	02/2029	7,440	7,349	7,404	
	First lien (2)(15)	SOFR(Q)	7.75%	12.43%	02/2023	02/2029	7,440	7,349	7,404	
								14,698	14,808	1.11 %
Coupa Holdings, LLC										
Software	First lien (2)(15)	SOFR(M)	7.50%	12.29%	02/2023	02/2030	7,230	7,141	7,167	
	First lien (8)(15)	SOFR(M)	7.50%	12.29%	02/2023	02/2030	7,230	7,141	7,167	
								14,282	14,334	1.07 %
Daxko Acquisition Corporation										
Software	First lien (8)(15)	L(M)	5.50%	10.34%	10/2021	10/2028	13,111	13,002	12,790	
	First lien (2)(15)	L(M)	5.50%	10.34%	10/2021	10/2028	1,105	1,095	1,078	
	First lien (3)(15)(18) - Drawn	P(Q)	4.50%	12.50%	10/2021	10/2027	99	98	96	
								14,195	13,964	1.04 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Castle Management Borrower LLC										
Business Services	First lien (8)(15)	L(Q)	2.19%	3.19%	05/2018	02/2025	\$ 14,136	\$ 14,119	\$ 13,945	1.04 %
CFS Management, LLC										
Healthcare	First lien (2)(15)	SOFR(Q)*	6.25% + 0.75%/PIK	12.16%	08/2019	07/2024	11,210	11,194	10,618	
	First lien (2)(15)	SOFR(Q)*	6.25% + 0.75%/PIK	12.16%	08/2019	07/2024	3,339	3,333	3,163	
								14,527	13,781	1.03 %
Alegus Technologies Holdings Corp.										
Healthcare	First lien (8)(15)	L(A)	8.25%	10.95%	09/2018	09/2024	13,444	13,424	13,444	1.00 %
IMO Investor Holdings, Inc.										
Healthcare	First lien (2)(15)	SOFR(S)	6.00%	10.62%	05/2022	05/2029	12,942	12,825	12,683	
	First lien (3)(15)(18) - Drawn	SOFR(S)	6.00%	10.87%	05/2022	05/2028	604	598	593	
								13,423	13,276	0.99 %
Apptio, Inc.										
Software	First lien (8)(15)	L(Q)	5.00%	9.81%	01/2019	01/2025	5,703	5,663	5,703	
	First lien (2)(15)	L(Q)	5.00%	9.81%	01/2019	01/2025	5,500	5,461	5,500	
	First lien (3)(15)(18) - Drawn	L(Q)	5.00%	9.80%	01/2019	01/2025	1,860	1,822	1,860	
								12,946	13,063	0.98 %
Calabrio, Inc.										
Software	First lien (5)(15)	L(Q)	7.00%	12.16%	04/2021	04/2027	12,347	12,280	11,890	
	First lien (3)(15)(18) - Drawn	L(Q)	7.00%	11.95%	04/2021	04/2027	850	843	818	
								13,123	12,708	0.95 %
Transcendia Holdings, Inc.										
Packaging	Second lien (8)(15)	L(M)	8.00%	12.84%	06/2017	05/2025	14,500	14,430	12,515	0.94 %
USRP Holdings, Inc.										
Business Services	First lien (2)(15)	SOFR(Q)	5.50%	10.55%	07/2021	07/2027	11,282	11,195	10,952	
	First lien (3)(15)	SOFR(Q)	5.50%	10.55%	07/2021	07/2027	1,469	1,457	1,426	
								12,652	12,378	0.92 %
CHA Holdings, Inc.										
Business Services	Second lien (4)(15)	L(Q)	8.75%	13.91%	04/2018	04/2026	7,012	6,978	7,012	
	Second lien (3)(15)	L(Q)	8.75%	13.91%	04/2018	04/2026	4,453	4,431	4,453	
								11,409	11,465	0.86 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Specialtycare, Inc.										
Healthcare	First lien (2)(15)	L(Q)	5.75%	10.50%	06/2021	06/2028	\$ 10,432	\$ 10,319	\$ 9,987	
	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	10.58%	06/2021	06/2028	78	75	75	
								10,394	10,062	0.75 %
Quartz Holding Company										
Software	Second lien (3)(15)	L(M)	8.00%	12.84%	04/2019	04/2027	10,000	9,882	9,884	0.74 %
Ansira Holdings, Inc.										
Business Services	First lien (3)(15)	L(S)(43)*	6.50%/PIK	11.71%	12/2016	12/2024	32,881	32,987	7,355	
	First lien (3)(15)	L(Q)(43)*	6.50%/PIK	11.45%	12/2016	12/2024	8,298	8,308	1,856	
	First lien (3)(15)(18) - Drawn	SOFR(Q)*	8.00%/PIK + 2.00%	14.91%	11/2022	12/2024	341	341	341	
								41,636	9,552	0.71 %
CG Group Holdings, LLC										
Specialty Chemicals & Materials	First lien (2)(15)	SOFR(Q)*	6.75% + 2.00%/PIK	13.65%	07/2021	07/2027	8,339	8,269	7,379	
	First lien (3)(15)(18) - Drawn	SOFR(M)*	6.75% + 2.00%/PIK	13.56%	07/2021	07/2026	921	911	815	
								9,180	8,194	0.61 %
PPVA Black Elk (Equity) LLC										
Business Services	Subordinated (3)(15)	—	—	—	05/2013	—	14,500	14,500	7,995	0.60 %
KPSKY Acquisition Inc.										
Business Services	First lien (8)(15)	SOFR(M)	5.50%	10.41%	10/2021	10/2028	6,950	6,893	6,629	
	First lien (2)(15)	L(Q)	5.50%	10.48%	10/2021	10/2028	800	793	763	
	First lien (2)(15)(18) - Drawn	L(Q)	5.50%	10.45%	06/2022	10/2028	276	273	263	
								7,959	7,655	0.57 %
Vectra Co.										
Business Products	Second lien (8)(15)	L(M)	7.25%	12.09%	02/2018	03/2026	10,788	10,770	7,647	0.57 %
TRC Companies L.L.C. (fka Energize Holdco LLC)										
Business Services	Second lien (2)(15)	L(M)	6.75%	11.59%	11/2021	12/2029	7,950	7,915	7,472	0.56 %
DS Admiral Bidco, LLC										
Software	First lien (2)(15)	SOFR(Q)	7.00%	11.90%	12/2022	03/2028	7,528	7,420	7,415	0.55 %
Community Brands ParentCo, LLC										
Software	First lien (2)(15)	SOFR(M)	5.75%	10.66%	02/2022	02/2028	7,145	7,084	7,003	0.52 %
PPV Intermediate Holdings, LLC										
Consumer Services	First lien (4)(15)	SOFR(M)	5.75%	10.85%	08/2022	08/2029	7,205	7,137	7,049	0.53 %

The accompanying notes are an integral part of these consolidated financial statements.



New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Safety Borrower Holdings LLC										
Software	First lien (2)(15)	L(S)	5.25%	10.41%	09/2021	09/2027	\$ 6,957	\$ 6,929	\$ 6,877	
	First lien (3)(15)(18) - Drawn	P(Q)	4.25%	12.25%	09/2021	09/2027	128	127	126	
								<u>7,056</u>	<u>7,003</u>	0.52 %
Sun Acquirer Corp.										
Consumer Services	First lien (2)(15)	L(M)	5.75%	10.59%	09/2021	09/2028	3,975	3,946	3,931	
	First lien (2)(15)(18) - Drawn	L(M)	5.75%	10.59%	09/2021	09/2028	2,809	2,775	2,778	
	First lien (3)(15)(18) - Drawn	P(Q)	4.75%	12.75%	09/2021	09/2027	78	80	77	
								<u>6,801</u>	<u>6,786</u>	0.51 %
Appriss Health Holdings, Inc. (23)										
Appriss Health, LLC										
Healthcare	First lien (8)(15)	L(M)	7.25%	11.96%	05/2021	05/2027	6,227	6,181	6,108	
	First lien (3)(15)(18) - Drawn	L(M)	7.25%	11.93%	05/2021	05/2027	208	206	204	
								<u>6,387</u>	<u>6,312</u>	0.47 %
Pye-Barker Fire & Safety, LLC										
Business Services	First lien (2)(15)	SOFR(Q)	5.50%	10.55%	11/2021	11/2027	5,148	5,104	5,024	0.38 %
Virtusa Corporation										
Business Services	Subordinated (3)	FIXED(S)	7.13%	7.13%	10/2022	12/2028	5,000	3,858	3,934	0.29 %
Project Power Buyer, LLC										
Software	First lien (2)(15)	SOFR(Q)	7.00%	11.90%	01/2023	05/2026	3,580	3,529	3,527	0.26 %
ADG, LLC										
Healthcare	First lien (3)(15)(18) - Drawn	P(S)*	4.25%/PIK	12.25%	03/2023	09/2023	375	375	349	
	Second lien (3)(15)	L(Q)(43)*	10.00%/PIK	14.81%	10/2016	03/2024	7,430	7,413	2,667	
								<u>7,788</u>	<u>3,016</u>	0.23 %
Education Management Corporation (20)										
Education Management II LLC										
Education	First lien (2)	P(M)(43)	7.50%	13.00%	01/2015	07/2020	300	292	—	
	First lien (3)	P(M)(43)	7.50%	13.00%	01/2015	07/2020	169	165	—	
	First lien (2)	P(Q)(43)	6.50%	9.75%	01/2015	07/2020	205	199	—	
	First lien (3)	P(Q)(43)	6.50%	9.75%	01/2015	07/2020	115	112	—	
	First lien (2)	P(Q)(43)	8.50%	11.75%	01/2015	07/2020	139	115	—	
	First lien (3)	P(Q)(43)	8.50%	11.75%	01/2015	07/2020	79	65	—	
	First lien (2)	P(Q)(43)	8.50%	11.75%	01/2015	07/2020	4	3	—	
	First lien (3)	P(Q)(43)	8.50%	11.75%	01/2015	07/2020	2	2	—	
								<u>953</u>	<u>—</u>	— %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
PPVA Fund, L.P.										
Business Services	Collateralized Financing (43)(44)	—	—	—	11/2014	—	\$ —	—	—	— %
<b>Total Funded Debt Investments - United States</b>								<b>\$ 2,246,214</b>	<b>\$ 2,129,827</b>	<b>159.12 %</b>
<b>Funded Debt Investments - Netherlands</b>										
Tahoe Finco, LLC**										
Information Technology	First lien (2)(15)	L(M)	6.00%	10.71%	10/2021	09/2028	\$ 35,000	\$ 34,710	\$ 34,821	
	First lien (8)(15)	L(M)	6.00%	10.71%	10/2021	09/2028	24,189	23,988	24,067	
								<b>58,698</b>	<b>58,888</b>	<b>4.40 %</b>
<b>Total Funded Debt Investments - Netherlands</b>								<b>\$ 58,698</b>	<b>\$ 58,888</b>	<b>4.40 %</b>
<b>Funded Debt Investments - United Kingdom</b>										
Aston FinCo S.a r.l / Aston US Finco, LLC**										
Software	Second lien (8)(15)	L(M)	8.25%	13.09%	10/2019	10/2027	\$ 34,459	\$ 34,278	\$ 34,459	2.57 %
Integro Parent Inc.**										
Business Services	First lien (2)(15)	SOFR(Q)*	12.25%/PIK	17.15%	10/2015	05/2023	3,896	3,893	3,897	
	First lien (3)(15)	SOFR(Q)*	12.25%/PIK	17.15%	06/2018	05/2023	769	765	770	
	Second lien (3)(15)	SOFR(Q)(43)*	12.25%/PIK	17.15%	10/2015	10/2024	12,000	11,433	9,560	
								<b>16,091</b>	<b>14,227</b>	<b>1.06 %</b>
<b>Total Funded Debt Investments - United Kingdom</b>								<b>\$ 50,369</b>	<b>\$ 48,686</b>	<b>3.63 %</b>
<b>Funded Debt Investments - Jersey</b>										
Tennessee Bidco Limited **										
Business Services	First lien (3)(15)(16)	SONIA(D)	5.50%+2.00% PIK	11.70%	08/2021	08/2028	£ 12,879	\$ 17,641	\$ 15,889	
	First lien (3)(15)(16)	SONIA(D)	5.50%+2.00% PIK	11.70%	08/2021	08/2028	£ 10,538	13,139	13,002	
	First lien (3)(15)	L(S)	5.50%+2.00% PIK	12.09%	08/2021	08/2028	\$ 10,184	10,059	10,184	
	First lien (3)(15)	L(S)	5.50%+2.00% PIK	12.38%	08/2021	08/2028	\$ 6,246	6,165	6,246	
	First lien (3)(15)(16)	EURIBOR(S)	5.50%+2.00% PIK	10.44%	08/2021	08/2028	€ 708	715	767	
								<b>47,719</b>	<b>46,088</b>	<b>3.44 %</b>
<b>Total Funded Debt Investments - Jersey</b>								<b>\$ 47,719</b>	<b>\$ 46,088</b>	<b>3.44 %</b>
<b>Funded Debt Investments - Australia</b>										
Atlas AU Bidco Pty Ltd**										
Business Services	First lien (2)(15)	SOFR(M)	7.25%	11.98%	12/2022	12/2029	\$ 3,454	\$ 3,404	\$ 3,402	0.25 %
<b>Total Funded Debt Investments - Australia</b>								<b>3,404</b>	<b>3,402</b>	<b>0.25 %</b>
<b>Total Funded Debt Investments</b>								<b>\$ 2,406,404</b>	<b>\$ 2,286,891</b>	<b>170.86 %</b>

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

<b>Portfolio Company, Location and Industry (1)</b>	<b>Type of Investment</b>	<b>Reference</b>	<b>Spread</b>	<b>Interest Rate (19)</b>	<b>Acquisition Date</b>	<b>Maturity / Expiration Date</b>	<b>Principal Amount, Par Value or Shares (17)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percent of Net Assets</b>
<b>Equity - United States</b>										
Dealer Tire Holdings, LLC (30)										
Distribution & Logistics	Preferred shares (3)(15)	—	—	—	09/2021	—	56,271	\$ 65,202	\$ 66,117	4.94 %
Symplr Software Intermediate Holdings, Inc. (31)										
Healthcare	Preferred shares (4)(15)	—	—	—	11/2018	—	7,500	12,446	11,450	
	Preferred shares (3)(15)	—	—	—	11/2018	—	2,586	4,291	3,947	
								<u>16,737</u>	<u>15,397</u>	1.15 %
Knockout Intermediate Holdings I Inc. (41)										
Software	Preferred shares (3)(15)	—	—	—	06/2022	—	15,150	15,900	15,888	1.19 %
ACI Parent Inc. (36)										
Healthcare	Preferred shares (3)(15)	—	—	—	08/2021	—	12,500	15,032	14,082	1.05 %
Project Essential Super Parent, Inc. (34)										
Software	Preferred shares (3)(15)	—	—	—	04/2021	—	10,000	12,313	11,713	0.88 %
Diamond Parent Holdings Corp. (35)										
Diligent Preferred Issuer, Inc.										
Software	Preferred shares (3)(15)	—	—	—	04/2021	—	10,000	12,129	11,303	0.84 %
OEC Holdco, LLC (22)										
Software	Preferred shares (12)(15)	—	—	—	12/2021	—	7,214	7,995	7,525	0.56 %
HB Wealth Management, LLC (37)										
Financial Services	Preferred shares (11)(15)	—	—	—	09/2021	—	48,303	4,796	5,128	0.38 %
FS WhiteWater Holdings, LLC (38)										
Consumer Services	Ordinary shares (5)(15)	—	—	—	12/2021	—	50,000	5,000	4,461	0.33 %
Appriss Health Holdings, Inc. (23)										
Appriss Health Intermediate Holdings, Inc.										
Healthcare	Preferred shares (3)(15)	—	—	—	05/2021	—	2,333	2,832	2,626	0.20 %
OA Topco, L.P. (40)										
Healthcare	Ordinary shares (3)(15)	—	—	—	12/2021	—	2,000,000	2,000	2,206	0.16 %
Pioneer Topco I, L.P. (39)										
Software	Ordinary shares (13)(15)	—	—	—	11/2021	—	199,980	1,999	1,614	0.12 %
Ancora Acquisition LLC										
Education	Preferred shares (9)(15)	—	—	—	08/2013	—	372	83	158	0.01 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
(in thousands, except shares)  
(unaudited)

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Education Management Corporation (20)										
Education	Preferred shares (2)	—	—	—	01/2015	—	3,331	\$ 200	\$ —	— %
	Preferred shares (3)	—	—	—	01/2015	—	1,879	113	—	— %
	Ordinary shares (2)	—	—	—	01/2015	—	2,994,065	100	—	— %
	Ordinary shares (3)	—	—	—	01/2015	—	1,688,976	56	—	— %
								469	—	— %
AAC Lender Holdings, LLC (33)										
Education	Ordinary shares (3)(15)	—	—	—	03/2021	—	758	—	—	— %
<b>Total Shares - United States</b>								<b>\$ 162,487</b>	<b>\$ 158,218</b>	<b>11.81 %</b>
Equity - Hong Kong										
Bach Special Limited (Bach Preference Limited)**										
Education	Preferred shares (3)(15)(29)	—	—	—	09/2017	—	112,021	\$ 11,122	\$ 11,028	— %
<b>Total Shares - Hong Kong</b>								<b>\$ 11,122</b>	<b>\$ 11,028</b>	<b>0.82 %</b>
<b>Total Shares</b>								<b>\$ 173,609</b>	<b>\$ 169,246</b>	<b>12.64 %</b>
<b>Total Funded Investments</b>								<b>\$ 2,580,013</b>	<b>\$ 2,456,137</b>	<b>183.50 %</b>
Unfunded Debt Investments - United States										
Ansira Holdings, Inc.										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	11/2022	11/2024	\$ 1,161	\$ —	\$ —	— %
AAC Lender Holdings, LLC (33)										
American Achievement Corporation (aka AAC Holding Corp.)										
Education	First lien (3)(15)(18) - Undrawn	—	—	—	01/2021	09/2026	2,652	—	—	— %
NMC Crimson Holdings, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	03/2021	12/2023	4,266	—	—	— %
Apptio, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	01/2019	01/2025	207	(4)	—	— %
Coyote Buyer, LLC										
Specialty Chemicals & Materials	First lien (3)(15)(18) - Undrawn	—	—	—	03/2020	02/2025	1,013	(5)	—	— %
Bullhorn, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	09/2019	09/2026	852	(6)	—	— %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Kele Holdeo, Inc.										
Distribution & Logistics	First lien (3)(15)(18) - Undrawn	—	—	—	02/2020	02/2026	\$ 1,799	\$ (9)	\$ —	— %
Granicus, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	01/2021	01/2027	1,145	(9)	—	— %
Xactly Corporation										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	07/2017	07/2025	992	(10)	—	— %
Associations, Inc.										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	07/2021	07/2027	3,543	(18)	—	— %
Wealth Enhancement Group, LLC										
Financial Services	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	10/2027	2,040	(6)	—	
	First lien (2)(15)(18) - Undrawn	—	—	—	05/2022	05/2024	6,114	(15)	—	
								(21)	—	— %
GC Waves Holdings, Inc.										
Financial Services	First lien (2)(15)(18) - Undrawn	—	—	—	04/2022	04/2024	453	—	—	
	First lien (3)(15)(18) - Undrawn	—	—	—	10/2019	08/2026	2,963	(22)	—	
								(22)	—	— %
Project Power Buyer, LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	01/2023	05/2025	184	(3)	(3)	(0.00)%
Safety Borrower Holdings LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	09/2021	09/2027	384	(2)	(4)	(0.00)%
Avalara, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	10/2022	10/2028	3,538	(44)	(4)	(0.00)%
Appriss Health Holdings, Inc. (23)										
Appriss Health, LLC										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	05/2021	05/2027	208	(2)	(4)	(0.00)%

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Sun Acquirer Corp.										
Consumer Services	First lien (2)(15)(18) - Undrawn	—	—	—	09/2021	09/2023	\$ 127	\$ (1)	\$ (1)	
	First lien (3)(15)(18) - Undrawn	—	—	—	09/2021	09/2027	481	(7)	(5)	
								(8)	(6)	(0.00)%
Oranje Holdco, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	02/2023	02/2029	1,860	(23)	(9)	(0.00)%
Recorded Future, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	08/2019	07/2025	2,981	(20)	(15)	(0.00)%
Pioneer Topco I, L.P. (39)										
Pioneer Buyer I, LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	11/2021	11/2027	2,446	(24)	(15)	(0.00)%
Bluefin Holding, LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	09/2019	09/2024	909	(14)	(16)	(0.00)%
ADG, LLC										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	03/2023	09/2023	307	—	(21)	(0.00)%
PPV Intermediate Holdings, LLC										
Consumer Services	First lien (4)(15)(18) - Undrawn	—	—	—	08/2022	08/2024	309	—	(7)	
	First lien (3)(15)(18) - Undrawn	—	—	—	08/2022	08/2029	486	(5)	(11)	
								(5)	(18)	(0.00)%
Coupa Holdings, LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	02/2023	08/2024	1,291	—	(11)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2023	02/2029	989	(12)	(9)	
								(12)	(20)	(0.00)%
IG Investments Holdings, LLC										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	09/2021	09/2027	2,298	(23)	(23)	(0.00)%
OA Topco, L.P. (40)										
OA Buyer, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	12/2028	3,600	(36)	(23)	(0.00)%

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
iCIMS, Inc.										
Software	First lien (8)(15)(18) - Undrawn	—	—	—	08/2022	08/2024	\$ 11,310	\$ —	\$ —	
	First lien (3)(15)(18) - Undrawn	—	—	—	08/2022	08/2028	4,218	(37)	(23)	
								(37)	(23)	(0.00)%
Calabrio, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	04/2021	04/2027	637	(5)	(24)	(0.00)%
Community Brands ParentCo, LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2028	425	(4)	(8)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2024	849	—	(17)	
								(4)	(25)	(0.00)%
DCA Investment Holding, LLC										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	12/2022	12/2024	2,898	—	(26)	(0.00)%
CG Group Holdings, LLC										
Specialty Chemicals & Materials	First lien (3)(15)(18) - Undrawn	—	—	—	07/2021	07/2026	226	(3)	(26)	(0.00)%
USRP Holdings, Inc.										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	07/2021	07/2027	893	(9)	(26)	(0.00)%
Pye-Barker Fire & Safety, LLC										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	11/2021	11/2024	1,161	(16)	(28)	(0.00)%
Infogain Corporation										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	07/2021	07/2026	3,827	(29)	(29)	(0.00)%
Trinity Air Consultants Holdings Corporation										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	06/2021	06/2027	1,501	(15)	(12)	
	First lien (2)(15)(18) - Undrawn	—	—	—	06/2021	06/2023	2,364	—	(19)	
								(15)	(31)	(0.00)%

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
TigerConnect, Inc.										
Healthcare	First lien (2)(15)(18) - Undrawn	—	—	—	02/2022	02/2024	\$ 1,683	\$ —	\$ (8)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2028	4,267	(43)	(21)	
								(43)	(29)	(0.00)%
Daxko Acquisition Corporation										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2023	524	—	(13)	
	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2027	887	(9)	(22)	
								(9)	(35)	(0.00)%
KPSKY Acquisition Inc.										
Business Services	First lien (2)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	891	—	(41)	(0.00)%
Paw Midco, Inc.										
AAH Topco, LLC										
Consumer Services	First lien (4)(15)(18) - Undrawn	—	—	—	01/2022	12/2023	2,689	(27)	(9)	
	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	12/2027	3,659	(37)	(13)	
	First lien (2)(15)(18) - Undrawn	—	—	—	12/2021	12/2023	8,289	(83)	(29)	
								(147)	(51)	(0.00)%
GS Acquisitionco, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	08/2019	05/2026	5,917	(36)	(53)	(0.00)%
FS WhiteWater Holdings, LLC (38)										
FS WhiteWater Borrower, LLC										
Consumer Services	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	12/2027	455	(5)	(11)	
	First lien (3)(15)(18) - Undrawn	—	—	—	07/2022	07/2024	4,187	(42)	(42)	
								(47)	(53)	(0.00)%
Notorious Topco, LLC										
Consumer Products	First lien (3)(15)(18) - Undrawn	—	—	—	11/2021	11/2023	587	(7)	(26)	
	First lien (3)(15)(18) - Undrawn	—	—	—	11/2021	05/2027	704	(5)	(32)	
								(12)	(58)	(0.00)%

The accompanying notes are an integral part of these consolidated financial statements.



New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Knockout Intermediate Holdings I Inc. (41)										
Kaseya Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	\$ 3,851	\$ —	\$ (29)	
	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2029	3,851	(29)	(29)	
								(29)	(58)	(0.00)%
Specialtycare, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	06/2021	06/2026	559	(8)	(24)	
	First lien (3)(15)(18) - Undrawn	—	—	—	06/2021	06/2023	868	—	(37)	
								(8)	(61)	(0.00)%
Groundworks, LLC										
Consumer Services	First lien (3)(18) - Undrawn	—	—	—	03/2023	03/2029	1,076	(16)	(16)	
	First lien (4)(18) - Undrawn	—	—	—	03/2023	09/2024	3,164	—	(47)	
								(16)	(63)	(0.00)%
Foreside Financial Group, LLC										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	09/2027	2,095	(21)	(21)	
	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	05/2024	4,767	—	(48)	
								(21)	(69)	(0.01)%
Diamond Parent Holdings Corp. (35)										
Diligent Corporation										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	03/2021	08/2025	2,537	(13)	(71)	(0.01)%
IMO Investor Holdings, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	05/2028	945	(9)	(17)	
	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	05/2024	3,097	—	(62)	
								(9)	(79)	(0.01)%
DOCS, MSO, LLC										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2028	2,405	—	(21)	
	First lien (4)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	2,457	—	(22)	
	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	6,561	—	(58)	
								—	(101)	(0.01)%

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

<b>Portfolio Company, Location and Industry (1)</b>	<b>Type of Investment</b>	<b>Reference</b>	<b>Spread</b>	<b>Interest Rate (19)</b>	<b>Acquisition Date</b>	<b>Maturity / Expiration Date</b>	<b>Principal Amount, Par Value or Shares (17)</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Percent of Net Assets</b>
MRI Software LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	01/2020	02/2026	\$ 2,002	\$ (10)	\$ (50)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	08/2023	2,501	—	(63)	
								<u>(10)</u>	<u>(113)</u>	(0.01)%
AmeriVet Partners Management, Inc.										
Consumer Services	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2028	1,969	(10)	(19)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2024	11,414	(57)	(107)	
								<u>(67)</u>	<u>(126)</u>	(0.01)%
YLG Holdings, Inc.										
Business Services	First lien (5)(15)(18) - Undrawn	—	—	—	10/2021	10/2023	1,283	(13)	(37)	
	First lien (3)(15)(18) - Undrawn	—	—	—	11/2019	10/2025	3,968	(20)	(115)	
								<u>(33)</u>	<u>(152)</u>	(0.01)%
Fortis Solutions Group, LLC										
Packaging	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2027	2,479	(25)	(55)	
	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	4,857	—	(107)	
								<u>(25)</u>	<u>(162)</u>	(0.01)%
ACI Parent Inc. (36)										
ACI Group Holdings, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	08/2027	2,354	(24)	(90)	
	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	08/2023	4,865	—	(187)	
								<u>(24)</u>	<u>(277)</u>	(0.02)%
Deca Dental Holdings LLC										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	08/2027	202	(2)	(11)	
	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	08/2023	9,080	—	(493)	
								<u>(2)</u>	<u>(504)</u>	(0.04)%
<b>Total Unfunded Debt Investments - United States</b>								<b>\$ (989)</b>	<b>\$ (2,575)</b>	<b>(0.19)%</b>

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Unfunded Debt Investments - Netherlands</b>										
Tahoe Finco, LLC**										
Information Technology	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2027	\$ 4,439	\$ (44)	\$ (23)	(0.00)%
<b>Total Unfunded Debt Investments - Netherlands</b>								<b>\$ (44)</b>	<b>\$ (23)</b>	<b>(0.00)%</b>
<b>Unfunded Debt Investments - Australia</b>										
Atlas AU Bidco Pty Ltd**										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	12/2022	12/2028	\$ 320	\$ (5)	\$ (5)	(0.00)%
<b>Total Unfunded Debt Investments - Australia</b>								<b>\$ (5)</b>	<b>\$ (5)</b>	<b>(0.00)%</b>
<b>Total Unfunded Debt Investments</b>								<b>\$ (1,038)</b>	<b>\$ (2,603)</b>	<b>(0.19)%</b>
<b>Total Non-Controlled/Non-Affiliated Investments</b>								<b>\$ 2,578,975</b>	<b>\$ 2,453,534</b>	<b>183.31 %</b>
<b>Non-Controlled/Affiliated Investments (45)</b>										
<b>Funded Debt Investments - United States</b>										
TVG-Edmentum Holdings, LLC (24)										
Edmentum Ultimate Holdings, LLC										
Education	Subordinated (3)(15)	SOFR(Q)*	12.00%/PIK	17.05%	12/2020	01/2027	\$ 17,170	\$ 17,064	\$ 17,170	1.28 %
Eagle Infrastructure Super HoldCo, LLC (42)										
Eagle Infrastructure Services, LLC (fka FR Arsenal Holdings II Corp.)										
Business Services	First lien (2)(15)	SOFR(Q)	7.50%	12.55%	03/2023	04/2028	10,676	10,676	10,676	
	First lien (3)(15)	SOFR(Q)	7.50%	12.55%	03/2023	04/2028	342	342	342	
								<u>11,018</u>	<u>11,018</u>	0.82 %
Sierra Hamilton Holdings Corporation										
Energy	Second lien (3)(15)	FIXED(Q)(43)*	15.00% PIK	15.00%	09/2019	09/2023	5	5	—	— %
Permian Holdco 3, Inc.										
Permian Trust										
Energy	First lien (10)(15)	FIXED(Q)(43)*	10.00% PIK/M	10.00%	03/2021	—	247	—	—	— %
	First lien (3)(15)	L(M)(43)*	10.00% PIK/M	11.00%	07/2020	—	3,409	—	—	— %
<b>Total Funded Debt Investments - United States</b>								<b>\$ 28,087</b>	<b>\$ 28,188</b>	<b>2.11 %</b>
<b>Equity - United States</b>										
TVG-Edmentum Holdings, LLC										
Education	Ordinary shares (3)(15)	—	—	—	12/2020	—	48,899	\$ 57,927	\$ 111,419	8.32 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Eagle Infrastructure Super HoldCo, LLC</b>										
Business Services	Ordinary shares (2)(15)	—	—	—	03/2023	—	65,325	\$ 3,696	\$ 3,687	
	Ordinary shares (3)(15)	—	—	—	03/2023	—	7,211	408	407	
								4,104	4,094	0.31 %
<b>Sierra Hamilton Holdings Corporation</b>										
Energy	Ordinary shares (2)(15)	—	—	—	07/2017	—	25,000,000	11,501	3,599	
	Ordinary shares (3)(15)	—	—	—	07/2017	—	2,786,000	1,282	401	
								12,783	4,000	0.30 %
<b>Total Shares - United States</b>								<b>\$ 74,814</b>	<b>\$ 119,513</b>	<b>8.93 %</b>
<b>Total Non-Controlled/Affiliated Investments</b>								<b>\$ 102,901</b>	<b>\$ 147,701</b>	<b>11.03 %</b>
<b>Controlled Investments (46)</b>										
<b>Funded Debt Investments - United States</b>										
<b>New Benevis Topco, LLC (32)</b>										
<b>New Benevis Holdco, Inc.</b>										
Healthcare	First lien (2)(15)	SOFR(Q)*	9.50%/PIK	14.50%	10/2020	04/2025	\$ 37,384	\$ 37,385	\$ 37,384	
	First lien (8)(15)	SOFR(Q)*	9.50%/PIK	14.50%	10/2020	04/2025	9,172	9,172	9,172	
	First lien (3)(15)	SOFR(Q)*	9.50%/PIK	14.50%	10/2020	04/2025	11,521	11,521	11,521	
	Subordinated (3)(15)	FIXED(M)*	12.00%/PIK	12.00%	10/2020	10/2025	19	17,575	15,331	
								75,653	73,408	5.48 %
<b>New Permian Holdco, Inc.</b>										
<b>New Permian Holdco, L.L.C.</b>										
Energy	First lien (3)(15)	FIXED(M)*	18.00% PIK/M	18.00%	10/2020	12/2024	22,760	22,760	22,760	
	First lien (3)(15)(18) - Drawn	L(M)*	9.00% PIK/M	13.66%	10/2020	12/2024	10,117	10,117	10,117	
								32,877	32,877	2.46 %
<b>UniTek Global Services, Inc.</b>										
Business Services	Second lien (3)(15)	FIXED(Q)*	15.00%/PIK	15.00%	12/2020	02/2025	12,009	12,009	10,864	
	Second lien (3)(15)	FIXED(Q)*	15.00%/PIK	15.00%	07/2022	02/2025	5,324	5,324	4,816	
								17,333	15,680	1.17 %
<b>NHME Holdings Corp. (28)</b>										
<b>National HME, Inc.</b>										
Healthcare	Second lien (3)(15)	SOFR(Q)(43)*	5.00%/PIK	9.85%	11/2018	05/2024	8,281	7,872	5,000	0.37 %
<b>Total Funded Debt Investments - United States</b>								<b>\$ 133,735</b>	<b>\$ 126,965</b>	<b>9.49 %</b>

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Equity - United States</b>										
NMFC Senior Loan Program III LLC**										
Investment Fund	Membership interest (3)(15)	—	—	—	05/2018	—	—	\$ 140,000	\$ 140,000	10.46 %
NMFC Senior Loan Program IV LLC**										
Investment Fund	Membership interest (3)(15)	—	—	—	05/2021	—	—	112,400	112,400	8.40 %
NM NL Holdings, L.P.**										
Net Lease	Membership interest (7)(15)	—	—	—	06/2018	—	—	76,370	94,576	7.07 %
New Benevis Topco, LLC (32)										
Healthcare	Ordinary shares (2)(15)	—	—	—	10/2020	—	269,027	27,154	34,490	
	Ordinary shares (8)(15)	—	—	—	10/2020	—	66,007	6,662	8,462	
	Ordinary shares (3)(15)	—	—	—	10/2020	—	60,068	6,106	7,701	
								39,922	50,653	3.78 %
UniTek Global Services, Inc.										
Business Services	Preferred shares (3)(15)(27)	—	—	—	08/2018	—	16,205,818	16,206	12,064	
	Preferred shares (3)(15)(27)	—	—	—	08/2019	—	9,631,878	9,632	7,981	
	Preferred shares (3)(15)(26)(43)	—	—	—	06/2017	—	19,795,435	19,795	10,145	
	Preferred shares (2)(15)(25)(43)	—	—	—	01/2015	—	29,326,545	26,946	—	
	Preferred shares (3)(15)(25)(43)	—	—	—	01/2015	—	8,104,462	7,447	—	
	Ordinary shares (2)(15)	—	—	—	01/2015	—	2,096,477	1,926	—	
	Ordinary shares (3)(15)	—	—	—	01/2015	—	1,993,749	533	—	
								82,485	30,190	2.26 %
New Permian Holdco, Inc.										
Energy	Ordinary shares (3)(15)	—	—	—	10/2020	—	100	11,155	25,999	1.94 %
QID TRH Holdings LLC (21)										
Haven Midstream Holdings LLC(21)										
Specialty Chemicals & Materials	Ordinary shares (14)(15)	—	—	—	10/2021	—	80	—	16,301	
	Profit Interest (6)(15)	—	—	—	10/2021	—	5	—	90	
								—	16,391	1.22 %
NM CLFX LP										
Net Lease	Membership interest (7)(15)	—	—	—	10/2017	—	—	12,538	15,437	1.15 %
NM YI, LLC										
Net Lease	Membership interest (7)(15)	—	—	—	09/2019	—	—	6,272	9,581	0.72 %
NM GP Holdco, LLC**										
Net Lease	Membership interest (7)(15)	—	—	—	06/2018	—	—	861	1,029	0.08 %

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

Portfolio Company, Location and Industry (1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity / Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
NHME Holdings Corp.(28)										
Healthcare	Ordinary shares (3)(15)	—	—	—	11/2018	—	640,000	\$ 4,000	\$ —	— %
NM GLCR LP										
Net Lease	Membership interest (7) (15)	—	—	—	02/2018	—	—	—	—	— %
NM APP US LLC										
Net Lease	Membership interest (7) (15)	—	—	—	09/2016	—	—	—	—	— %
NM DRVT LLC										
Net Lease	Membership interest (7) (15)	—	—	—	11/2016	—	—	—	—	— %
NM JRA LLC										
Net Lease	Membership interest (7) (15)	—	—	—	08/2016	—	—	—	—	— %
NM KRLN LLC										
Net Lease	Membership interest (7) (15)	—	—	—	11/2016	—	—	—	—	— %
<b>Total Shares - United States</b>								<b>\$ 486,003</b>	<b>\$ 496,256</b>	<b>37.08 %</b>
<b>Equity - Canada</b>										
NM APP Canada Corp.**										
Net Lease	Membership interest (7) (15)	—	—	—	09/2016	—	—	\$ —	\$ —	— %
<b>Total Shares - Canada</b>								<b>\$ —</b>	<b>\$ —</b>	<b>— %</b>
<b>Total Shares</b>								<b>\$ 486,003</b>	<b>\$ 496,256</b>	<b>37.08 %</b>
<b>Warrants - United States</b>										
UniTek Global Services, Inc.										
Business Services	Warrants (3)(15)	—	—	—	12/2020	02/2025	13,339	\$ —	\$ 45,870	3.43 %
NHME Holdings Corp. (28)										
Healthcare	Warrants (3)(15)	—	—	—	11/2018	—	160,000	1,000	—	— %
<b>Total Warrants - United States</b>								<b>\$ 1,000</b>	<b>\$ 45,870</b>	<b>3.43 %</b>
<b>Total Funded Investments</b>								<b>\$ 620,738</b>	<b>\$ 669,091</b>	<b>49.99 %</b>
<b>Unfunded Debt Investments - United States</b>										
New Permian Holdco, Inc.										
New Permian Holdco, L.L.C.										
Energy	First lien (3)(15)(18) - Undrawn	—	—	—	10/2020	12/2024	\$ 1,577	\$ —	\$ —	— %
Haven Midstream Holdings LLC (21)										
Haven Midstream LLC										
Specialty Chemicals & Materials	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	10/2026	8,000	—	—	— %
<b>Total Unfunded Debt Investments - United States</b>								<b>\$ —</b>	<b>\$ —</b>	<b>— %</b>
<b>Total Controlled Investments</b>								<b>\$ 620,738</b>	<b>\$ 669,091</b>	<b>49.99 %</b>
<b>Total Investments</b>								<b>\$ 3,302,614</b>	<b>\$ 3,270,326</b>	<b>244.33 %</b>

- (1) New Mountain Finance Corporation (the "Company") generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.
- (2) Investment is pledged as collateral for the Holdings Credit Facility, a revolving credit facility among the Company, as the Collateral Manager, New Mountain Finance Holdings, L.L.C. ("NMF Holdings") as the Borrower, Wells Fargo Securities, LLC, as the Administrative Agent and Wells Fargo Bank, National Association, as the Lender and Collateral Custodian. See Note 7. *Borrowings*, for details.

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

- (3) Investment is pledged as collateral for the NMFC Credit Facility, a revolving credit facility among the Company as the Borrower and Goldman Sachs Bank USA as the Administrative Agent and the Collateral Agent and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A., Stifel Bank & Trust and MUFG Union Bank, N.A. as Lenders. See Note 7. *Borrowings*, for details.
- (4) Investment is held in New Mountain Finance SBIC, L.P.
- (5) Investment is held in New Mountain Finance SBIC II, L.P.
- (6) Investment is held in NMF QID NGL Holdings, Inc.
- (7) Investment is held in New Mountain Net Lease Corporation.
- (8) Investment is pledged as collateral for the DB Credit Facility, a revolving credit facility among New Mountain Finance DB, L.L.C. as the Borrower and Deutsche Bank AG, New York Branch as the Facility Agent. See Note 7. *Borrowings*, for details.
- (9) Investment is held in NMF Ancora Holdings, Inc.
- (10) Investment is held in NMF Permian Holdings, LLC.
- (11) Investment is held in NMF HB, Inc.
- (12) Investment is held in NMF OEC, Inc.
- (13) Investment is held in NMF Pioneer, Inc.
- (14) Investment is held in NMF TRM, LLC.
- (15) The fair value of the Company's investment is determined using unobservable inputs that are significant to the overall fair value measurement. See Note 4. *Fair Value*, for details.
- (16) Investment is denominated in foreign currency and is translated into U.S. dollars as of the valuation date. As of March 31, 2023, the par value U.S. dollar equivalent of the first lien term loan, and drawn first lien term loan is \$5,889, and \$13,768, respectively. See Note 2. *Summary of Significant Accounting Policies*, for details.
- (17) Par amount is denominated in United States Dollar unless otherwise noted, which may include British Pound ("£") and/or Euro ("€").
- (18) Par value amounts represent the drawn or undrawn (as indicated in type of investment) portion of revolving credit facilities or delayed draws. Cost amounts represent the cash received at settlement date net of the impact of paydowns and cash paid for drawn revolvers or delayed draws.
- (19) 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 the London Interbank Offered Rate (L), the Prime Rate (P), the Sterling Overnight Interbank Average Rate (SONIA), Secured Overnight Financing Rate (SOFR), Euro Interbank Offered Rate (EURIBOR) and the alternative base rate (Base) and which resets daily (D), weekly (W), monthly (M), quarterly (Q), semi-annually (S) or annually (A). For each investment the current interest rate provided reflects the rate in effect as of March 31, 2023.
- (20) The Company holds investments in Education Management Corporation and one related entity of Education Management Corporation. The Company holds series A-1 convertible preferred stock and common stock in Education Management Corporation and holds tranche A first lien term loans and a tranche B first lien term loan in Education Management II LLC, which is an indirect subsidiary of Education Management Corporation.
- (21) The Company holds investments in multiple entities of Haven Midstream Holdings LLC. The Company holds 4.6% of the Class B profits interest in QID NGL, LLC (which at closing represented 7.0% of the ownership in the class B units in QID TRH Holdings, LLC), class A common units of Haven Midstream Holdings LLC, and holds a tranche A first lien term loan, a tranche B first lien term loan and a first lien revolver in Haven Midstream LLC.
- (22) The Company holds preferred equity in OEC Holdco, LLC, and two second lien term loans in OEConnection LLC, a wholly-owned subsidiary of OEC Holdco, LLC. The preferred equity is entitled to receive preferential dividends of 11.0% per annum.
- (23) The Company holds investments in two wholly-owned subsidiaries of Appriss Health Holdings, Inc. The company holds a first lien term loan and a first lien revolver in Appriss Health, LLC, and preferred equity in Appriss Health Intermediate Holdings, Inc. The preferred equity is entitled to receive preferential dividends at a rate of 11.0% per annum.
- (24) The Company holds ordinary shares in TVG-Edmentum Holdings, LLC, and subordinated notes in Edmentum Ultimate Holdings, LLC, a wholly-owned subsidiary of TVG-Edmentum Holdings, LLC. The ordinary shares are entitled to receive cumulative preferential dividends at a rate of 12.0% per annum.
- (25) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 8.5% per annum payable in additional shares.
- (26) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 9.0% per annum payable in additional shares.
- (27) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 10.0% per annum payable in additional shares.
- (28) The Company holds ordinary shares and warrants in NHME Holdings Corp., as well as a Tranche A Term Loan in National HME, Inc., a wholly-owned subsidiary of NHME Holdings Corp.
- (29) The Company holds preferred equity in Bach Special Limited (Bach Preference Limited) that is entitled to receive cumulative preferential dividends at a rate of 12.5% per annum payable in additional shares.

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

- (30) The Company holds preferred equity in Dealer Tire Holdings, LLC that is entitled to receive cumulative preferential dividends at a rate of 7.0% per annum.
- (31) The Company holds preferred equity in Sympplr Software Intermediate Holdings, Inc. that is entitled to receive cumulative preferential dividends at a rate of 14.5% per annum.
- (32) The Company holds ordinary shares in New Benevis Topco, LLC, and holds first lien last out term loans and subordinated notes in New Benevis Holdco Inc., a wholly-owned subsidiary of New Benevis Topco, LLC.
- (33) The Company holds ordinary shares in AAC Lender Holdings, LLC and a first lien term loan, first lien revolver and subordinated notes in American Achievement Corporation, a partially-owned subsidiary of AAC Lender Holdings, LLC.
- (34) The Company holds preferred equity in Project Essential Super Parent, Inc. that is entitled to receive cumulative preferential dividends at a rate of 9.5% per annum.
- (35) The Company holds investments in two wholly-owned subsidiary of Diamond Parent Holdings Corp. The Company holds three first lien term loans and a first lien revolver in Diligent Corporation and preferred equity in Diligent Preferred Issuer Inc. The preferred equity in Diligent Preferred Issuer Inc. is entitled to receive cumulative preferential dividends at a rate 10.5% per annum.
- (36) The Company holds investments in ACI Parent Inc. and a wholly-owned subsidiary of ACI Parent Inc. The Company holds a first lien term loan, a first lien delayed draw and a first lien revolver in ACI Group Holdings, Inc. and preferred equity in ACI Parent Inc. The preferred equity in ACI Parent Inc. is entitled to receive cumulative preferential dividends at a rate of 11.75% per annum.
- (37) The Company holds preferred equity in HB Wealth Management, LLC that is entitled to receive cumulative preferential dividends at a rate of 0% per annum.
- (38) The Company holds ordinary shares in FS WhiteWater Holdings, LLC, and a first lien term loan, a first lien revolver, and two first lien delayed draws in FS WhiteWater Borrower, LLC, a partially-owned subsidiary of FS WhiteWater Holdings, LLC.
- (39) The Company holds ordinary shares in Pioneer Topco I, L.P., and a first lien term loan and a first lien revolver in Pioneer Buyer I, LLC, a wholly-owned subsidiary of Pioneer Topco I, L.P.
- (40) The Company holds ordinary shares in OA Topco, L.P., and a first lien term loan and a first lien revolver in OA Buyer, Inc., a wholly-owned subsidiary of OA Topco, L.P.
- (41) The Company holds preferred equity in Knockout Intermediate Holdings I Inc. and a first lien term loan, a first lien revolver and a first lien delayed draw in Kaseya, Inc., a wholly-owned subsidiary of Knockout Intermediate Holdings I Inc. The preferred equity is entitled to receive cumulative preferential dividends at a rate of 11.75% per annum.
- (42) The Company holds ordinary shares in Eagle Infrastructure Super HoldCo, LLC and a first lien term loan in Eagle Infrastructure Services, LLC (fka FR Arsenal Holdings II Corp.), a wholly-owned subsidiary of Eagle Infrastructure Super HoldCo, LLC.
- (43) Investment or a portion of the investment is on non-accrual status. See Note 3 *Investments*, for details.
- (44) The Company holds one security purchased under a collateralized agreement to resell on its Consolidated Statement of Assets and Liabilities with a cost basis of \$6,000 and a fair value of \$6,539 as of March 31, 2023. See Note 2 *Summary of Significant Accounting Policies*, for details.
- (45) Denotes investments in which the Company is an "Affiliated Person", as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), due to owning or holding the power to vote 5.0% or more of the outstanding voting securities of the investment but not controlling the company. Fair value as of March 31, 2023 and December 31, 2022 along with transactions during the nine months ended March 31, 2023 in which the issuer was a non-controlled/affiliated investment is as follows:

<b>Portfolio Company</b>	<b>Fair Value at December 31, 2022</b>	<b>Gross Additions (A)</b>	<b>Gross Redemptions (B)</b>	<b>Net Change In Unrealized Appreciation (Depreciation)</b>	<b>Fair Value at March 31, 2023</b>	<b>Net Realized Gains (Losses)</b>	<b>Interest Income</b>	<b>Dividend Income</b>	<b>Other Income</b>
Eagle Infrastructure Services, LLC (fka FR Arsenal Holdings II Corp.) / Eagle Infrastructure Super HoldCo, LLC	\$ —	\$ 15,582	\$ (459)	\$ (11)	\$ 15,112	\$ —	\$ 4	\$ —	\$ —
Permian Holdco 3, Inc. / Permian Trust	—	—	—	—	—	—	—	—	—
Sierra Hamilton Holdings Corporation	4,000	—	—	—	4,000	—	—	—	—
TVG-Edmentum Holdings, LLC / Edmentum Ultimate Holdings, LLC	126,787	1,807	—	(5)	128,589	—	696	1,105	63
<b>Total Non-Controlled/Affiliated Investments</b>	<b>\$ 130,787</b>	<b>\$ 17,389</b>	<b>\$ (459)</b>	<b>\$ (16)</b>	<b>\$ 147,701</b>	<b>\$ —</b>	<b>\$ 700</b>	<b>\$ 1,105</b>	<b>\$ 63</b>

- (A) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, payment-in-kind ("PIK") interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement of an existing portfolio company into this category from a different category.
- (B) Gross redemptions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

The accompanying notes are an integral part of these consolidated financial statements.



New Mountain Finance Corporation

**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
**(in thousands, except shares)**  
**(unaudited)**

(46) Denotes investments in which the Company is in "Control", as defined in the 1940 Act, due to owning or holding the power to vote more than 25.0% of the outstanding voting securities of the investment. Fair value as of March 31, 2023 and December 31, 2022, along with transactions during the three months ended March 31, 2023 in which the issuer was a controlled investment, is as follows:

Portfolio Company (1)	Fair Value at December 31, 2022	Gross Additions (A)	Gross Redemptions (B)	Net Change In Unrealized Appreciation (Depreciation)	Fair Value at March 31, 2023	Net Realized Gains (Losses)	Interest Income	Dividend Income	Other Income
National HME, Inc./NHME Holdings Corp.	\$ 5,381	\$ —	\$ (17,404)	\$ 17,023	\$ 5,000	\$ (17,404)	\$ —	\$ —	\$ —
New Benevis Topco, LLC / New Benevis Holdco, Inc.	114,146	10,235	—	(320)	124,061	—	2,563	—	375
New Permian Holdco, Inc. / New Permian Holdco, L.L.C.	57,564	1,312	—	—	58,876	—	1,333	—	129
NM APP CANADA CORP	—	—	—	—	—	—	—	—	—
NM APP US LLC	—	—	—	—	—	—	—	—	—
NM CLFX LP	16,172	—	—	(735)	15,437	—	—	393	—
NM DRVT LLC	—	—	—	—	—	—	—	—	—
NM JRA LLC	—	—	—	—	—	—	—	—	—
NM GLCR LP	—	—	—	—	—	—	—	—	—
NM KRLN LLC	—	—	—	—	—	—	—	—	—
NM NL Holdings, L.P.	94,305	—	—	271	94,576	—	—	2,318	—
NM GP Holdco, LLC	1,028	—	—	1	1,029	—	—	26	—
NM YI LLC	9,481	—	—	100	9,581	—	—	214	—
NMFC Senior Loan Program III LLC	140,000	—	—	—	140,000	—	—	4,462	—
NMFC Senior Loan Program IV LLC	112,400	—	—	—	112,400	—	—	3,583	—
Haven Midstream LLC / Haven Midstream Holdings LLC / QID TRH Holdings LLC	35,788	—	—	(19,397)	16,391	19,375	—	—	510
UniTek Global Services, Inc.	103,770	2,563	(26,445)	11,854	91,740	2	1,936	1,229	181
<b>Total Controlled Investments</b>	<b>\$ 690,035</b>	<b>\$ 14,110</b>	<b>\$ (43,849)</b>	<b>\$ 8,797</b>	<b>\$ 669,091</b>	<b>\$ 1,973</b>	<b>\$ 5,832</b>	<b>\$ 12,225</b>	<b>\$ 1,195</b>

(A) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement of an existing portfolio company into this category from a different category.

(B) Gross redemptions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

\* All or a portion of interest contains PIK interest. See Note 2 *Summary of Significant Accounting Policies-Revenue Recognition* for details.

\*\* Indicates assets that the Company deems to be "non-qualifying assets" under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70.0% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of March 31, 2023, 15.3% of the Company's total assets are represented by investments at fair value that are considered non-qualifying assets.

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**March 31, 2023**  
(unaudited)

<b>Investment Type</b>	<b>March 31, 2023 Percent of Total Investments at Fair Value</b>
First lien	55.00 %
Second lien	17.20 %
Subordinated	2.39 %
Equity and other	25.41 %
Total investments	100.00 %

<b>Industry Type</b>	<b>March 31, 2023 Percent of Total Investments at Fair Value</b>
Software	28.56 %
Business Services	17.66 %
Healthcare	17.08 %
Investment Funds (includes investments in joint ventures)	7.72 %
Education	7.44 %
Consumer Services	4.61 %
Net Lease	3.69 %
Distribution & Logistics	3.15 %
Financial Services	3.03 %
Energy	1.92 %
Information Technology	1.80 %
Specialty Chemicals & Materials	1.25 %
Packaging	1.25 %
Consumer Products	0.61 %
Business Products	0.23 %
Total investments	100.00 %

<b>Interest Rate Type</b>	<b>March 31, 2023 Percent of Total Investments at Fair Value</b>
Floating rates	89.05 %
Fixed rates	10.95 %
Total investments	100.00 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**

**Consolidated Schedule of Investments**  
**December 31, 2022**  
(in thousands, except shares)

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Non-Controlled/Non-Affiliated Investments</b>										
<b>Funded Debt Investments - United States</b>										
GS Acquisitionco, Inc.										
Software	First lien (2)(15)	L(Q)	5.75%	9.92 %	08/2019	05/2026	\$ 67,275	\$ 67,074	\$ 66,675	
	First lien (5)(15)	L(Q)	5.75%	9.92 %	08/2019	05/2026	21,745	21,683	21,551	
								<u>88,757</u>	<u>88,226</u>	6.65 %
PhyNet Dermatology LLC										
Healthcare	First lien (2)(15)	SOFR(S)	6.25%	10.80 %	09/2018	08/2024	49,270	49,116	49,270	
	First lien (2)(15)	SOFR(S)	6.25%	10.80 %	09/2018	08/2024	18,726	18,663	18,726	
								<u>67,779</u>	<u>67,996</u>	5.13 %
Associations, Inc.										
Business Services	First lien (2)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	10.36 %	07/2021	07/2027	35,786	35,657	35,786	
	First lien (8)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	11.26 %	07/2021	07/2027	8,810	8,774	8,810	
	First lien (2)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	11.29 %	07/2021	07/2027	8,810	8,773	8,810	
	First lien (8)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	10.97 %	07/2021	07/2027	5,321	5,300	5,321	
	First lien (8)(15)	SOFR(Q)*	4.00% + 2.50%/PIK	10.36 %	07/2021	07/2027	4,233	4,217	4,233	
								<u>62,721</u>	<u>62,960</u>	4.75 %
Paw Midco, Inc.										
AAH Topco, LLC										
Consumer Services	First lien (8)(15)	L(M)	5.50%	9.89 %	12/2021	12/2027	20,634	20,457	20,378	
	First lien (3)(15)(18) - Drawn	L(M)	5.50%	9.82 %	12/2021	12/2027	12,357	12,369	12,204	
	First lien (4)(15)	L(M)	5.50%	9.89 %	01/2022	12/2027	9,797	9,713	9,676	
	First lien (4)(15)(18) - Drawn	L(M)	5.50%	9.82 %	12/2021	12/2027	4,009	4,013	3,959	
	Subordinated (3)(15)	FIXED(Q)*	11.50%/PIK	11.50 %	12/2021	12/2031	12,494	12,337	11,908	
	Subordinated (4)(15)	FIXED(Q)*	11.50%/PIK	11.50 %	01/2022	12/2031	4,900	4,838	4,670	
								<u>63,727</u>	<u>62,795</u>	4.73 %
GC Waves Holdings, Inc.										
Financial Services	First lien (5)(15)	L(M)	5.50%	9.88 %	08/2021	08/2026	21,885	21,793	21,623	
	First lien (2)(15)(18) - Drawn	L(M)	5.50%	9.88 %	04/2022	08/2026	16,611	16,450	16,411	
	First lien (2)(15)	L(M)	5.50%	9.88 %	08/2021	08/2026	13,211	13,135	13,052	
	First lien (2)(15)	L(M)	5.50%	9.88 %	08/2021	08/2026	10,551	10,465	10,424	
	First lien (3)(15)(18) - Drawn	L(M)	5.50%	9.88 %	10/2019	08/2026	988	980	976	
								<u>62,823</u>	<u>62,486</u>	4.71 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets	
Knockout Intermediate Holdings I Inc. (41)											
Kaseya Inc.	Software	First lien (2)(15)	SOFR(Q)	5.75%	10.33%	06/2022	06/2029	\$ 63,093	\$ 62,647	\$ 62,172	4.69 %
iCIMS, Inc.	Software	First lien (8)(15)	SOFR(Q)*	3.38% + 3.88%/PIK	11.52%	08/2022	08/2028	44,287	43,917	43,901	
		First lien (2)(15)	SOFR(Q)	7.25%	11.52%	10/2022	08/2028	7,366	7,303	7,311	
								51,220	51,212		3.86 %
CentralSquare Technologies, LLC											
Software	Second lien (3)	L(Q)	7.50%	12.23%	08/2018	08/2026	47,838	47,505	40,941		
	Second lien (8)	L(Q)	7.50%	12.23%	08/2018	08/2026	7,500	7,448	6,419		
								54,953	47,360		3.57 %
IG Intermediateco LLC											
Infogain Corporation											
Business Services	First lien (2)(15)	SOFR(M)	5.75%	10.17%	07/2021	07/2028	18,898	18,780	18,545		
	First lien (8)(15)	SOFR(M)	5.75%	10.17%	07/2022	07/2028	7,923	7,849	7,775		
	First lien (3)(15)(18) - Drawn	SOFR(M)	5.75%	10.17%	07/2021	07/2026	1,068	1,060	1,048		
	Subordinated (3)(15)	SOFR(Q)	8.25%	12.93%	07/2022	07/2029	17,245	17,039	16,846		
								44,728	44,214		3.33 %
Brave Parent Holdings, Inc.											
Software	Second lien (5)(15)	SOFR(M)	7.50%	11.88%	04/2018	04/2026	22,500	22,443	21,798		
	Second lien (2)(15)	SOFR(M)	7.50%	11.88%	04/2018	04/2026	16,624	16,540	16,104		
	Second lien (8)(15)	SOFR(M)	7.50%	11.88%	04/2018	04/2026	6,000	5,970	5,813		
								44,953	43,715		3.30 %
Deca Dental Holdings LLC											
Healthcare	First lien (2)(15)	L(Q)	5.75%	10.48%	08/2021	08/2028	37,860	37,541	36,232		
	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	10.48%	08/2021	08/2028	3,985	3,950	3,814		
	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	10.48%	08/2021	08/2027	2,623	2,597	2,510		
								44,088	42,556		3.21 %
Recorded Future, Inc.											
Software	First lien (8)(15)	L(Q)	5.25%	9.98%	08/2019	07/2025	24,469	24,351	24,263		
	First lien (2)(15)	L(Q)	5.25%	9.98%	03/2021	07/2025	12,652	12,589	12,546		
								36,940	36,809		2.78 %
Auctane Inc. (fka Stamps.com Inc.)											
Software	First lien (8)(15)	L(M)	5.75%	10.13%	10/2021	10/2028	22,069	21,880	21,694		
	First lien (2)(15)	L(M)	5.75%	10.13%	10/2021	10/2028	14,925	14,797	14,671		
								36,677	36,365		2.74 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Avalara, Inc.										
Software	First lien (8)(15)	SOFR(Q)	7.25%	11.83%	10/2022	10/2028	\$ 22,500	\$ 22,226	\$ 22,307	
	First lien (2)(15)	SOFR(Q)	7.25%	11.83%	10/2022	10/2028	12,880	12,723	12,769	
								34,949	35,076	2.64 %
OEC Holdeo, LLC (22)										
OEConnection LLC										
Software	Second lien (2)(15)	SOFR(M)	7.00%	11.42%	12/2021	09/2027	23,406	23,206	22,687	
	Second lien (2)(15)	SOFR(M)	7.00%	11.42%	09/2019	09/2027	12,044	11,963	11,674	
								35,169	34,361	2.59 %
Diamond Parent Holdings Corp. (35)										
Diligent Corporation										
Software	First lien (2)(15)	L(M)	5.75%	10.13%	03/2021	08/2025	17,583	17,528	17,371	
	First lien (2)(15)	L(M)	5.75%	10.13%	03/2021	08/2025	9,805	9,774	9,688	
	First lien (3)(15)	L(M)	6.25%	10.63%	12/2018	08/2025	5,827	5,807	5,827	
	First lien (3)(15)(18) - Drawn	L(M)	6.25%	10.63%	03/2021	08/2025	1,087	1,082	1,087	
								34,191	33,973	2.56 %
IG Investments Holdings, LLC										
Business Services	First lien (2)(15)	L(M)	6.00%	10.38%	09/2021	09/2028	29,134	28,884	28,731	
	First lien (2)(15)	L(M)	6.00%	10.38%	02/2022	09/2028	4,257	4,238	4,198	
	First lien (3)(15)(18) - Drawn	L(M)	6.00%	10.39%	09/2021	09/2027	919	910	906	
								34,032	33,835	2.55 %
Foreside Financial Group, LLC										
Business Services	First lien (2)(15)	L(M)	5.50%	9.88%	05/2022	09/2027	31,968	31,678	31,648	
	First lien (3)(15)	L(M)	5.50%	9.88%	05/2022	09/2027	2,072	2,052	2,051	
								33,730	33,699	2.54 %
MRI Software LLC										
Software	First lien (5)(15)	L(Q)	5.50%	10.23%	01/2020	02/2026	21,879	21,817	21,383	
	First lien (2)(15)	L(Q)	5.50%	10.23%	03/2021	02/2026	4,615	4,606	4,511	
	First lien (2)(15)	L(Q)	5.50%	10.23%	01/2020	02/2026	3,173	3,163	3,101	
	First lien (3)(15)	L(Q)	5.50%	10.23%	03/2021	02/2026	3,664	3,656	3,581	
	First lien (3)(15)	L(Q)	5.50%	10.23%	01/2020	02/2026	810	807	791	
								34,049	33,367	2.52 %
Anaplan, Inc.										
Software	First lien (2)(15)	SOFR(M)	6.50%	10.82%	06/2022	06/2029	33,618	33,300	33,282	2.51 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Granicus, Inc.										
Software	First lien (4)(15)	L(M)*	5.50% + 1.50%/PIK	11.14%	01/2021	01/2027	\$ 15,405	\$ 15,320	\$ 15,405	
	First lien (8)(15)	L(M)*	5.50% + 1.50%/PIK	11.14%	01/2021	01/2027	5,959	5,925	5,959	
	First lien (2)(15)	L(M)*	5.50% + 1.50%/PIK	11.14%	01/2021	01/2027	5,877	5,845	5,877	
	First lien (2)(15)	L(M)	6.00%	10.14%	04/2021	01/2027	4,579	4,540	4,579	
	First lien (3)(15)(18) - Drawn	L(M)	6.50%	10.69%	01/2021	01/2027	810	804	810	
								32,434	32,630	2.46 %
EAB Global, Inc.										
Education	Second lien (2)(15)	L(Q)	6.50%	10.69%	08/2021	08/2029	33,452	33,017	32,392	2.44 %
DCA Investment Holding, LLC										
Healthcare	First lien (2)(15)	SOFR(S)	6.41%	10.39%	03/2021	04/2028	19,660	19,546	19,278	
	First lien (2)(15)	SOFR(S)	6.41%	10.39%	02/2022	04/2028	7,046	7,014	6,909	
	First lien (3)(15)	SOFR(S)	6.41%	10.39%	03/2021	04/2028	3,273	3,252	3,209	
	First lien (3)(15)(18) - Drawn	SOFR(S)	6.41%	10.39%	03/2021	04/2028	2,836	2,823	2,781	
								32,635	32,177	2.43 %
KAMC Holdings, Inc.										
Business Services	Second lien (2)(15)	L(Q)	8.00%	12.65%	08/2019	08/2027	18,750	18,657	15,938	
	Second lien (8)(15)	L(Q)	8.00%	12.65%	08/2019	08/2027	18,750	18,657	15,937	
								37,314	31,875	2.40 %
OA Topco, L.P. (40)										
OA Buyer, Inc.										
Healthcare	First lien (2)(15)	L(M)	5.75%	10.13%	12/2021	12/2028	27,989	27,742	27,763	
	First lien (2)(15)	L(M)	5.75%	10.13%	05/2022	12/2028	1,772	1,755	1,757	
								29,497	29,520	2.23 %
TigerConnect, Inc.										
Healthcare	First lien (8)(15)	SOFR(Q)*	3.63% + 3.63%/PIK	11.49%	02/2022	02/2028	29,868	29,604	29,151	
	First lien (2)(15)(18) - Drawn	SOFR(Q)*	3.63% + 3.63%/PIK	11.49%	02/2022	02/2028	277	277	270	
								29,881	29,421	2.22 %
Wealth Enhancement Group, LLC										
Financial Services	First lien (2)(15)	SOFR(S)	6.00%	10.00%	08/2021	10/2027	18,949	18,896	18,827	
	First lien (2)(15)	SOFR(S)	6.00%	9.41%	01/2022	10/2027	1,254	1,243	1,246	
	First lien (3)(15)(18) - Drawn	SOFR(S)	6.00%	10.31%	05/2022	10/2027	7,478	7,481	7,430	
	First lien (2)(15)	SOFR(S)	6.00%	10.46%	01/2022	10/2027	841	833	835	
								28,453	28,338	2.14 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Fortis Solutions Group, LLC</b>										
Packaging	First lien (2)(15)	L(Q)	5.50%	10.23%	10/2021	10/2028	\$ 17,529	\$ 17,374	\$ 17,119	
	First lien (8)(15)	L(Q)	5.50%	10.23%	10/2021	10/2028	10,195	10,108	9,957	
	First lien (3)(15)	L(Q)	5.50%	10.23%	10/2021	10/2028	875	866	855	
	First lien (3)(15)(18) - Drawn	L(S)	5.50%	9.67%	10/2021	10/2027	381	378	372	
							<u>28,726</u>	<u>28,303</u>		2.13 %
<b>Foundational Education Group, Inc.</b>										
Education	Second lien (5)(15)	SOFR(Q)	6.50%	11.34%	08/2021	08/2029	22,500	22,401	20,810	
	Second lien (2)(15)	SOFR(Q)	6.50%	11.34%	08/2021	08/2029	7,009	6,987	6,483	
							<u>29,388</u>	<u>27,293</u>		2.06 %
<b>Syndigo LLC</b>										
Software	Second lien (4)(15)	L(S)	8.00%	13.21%	12/2020	12/2028	22,500	22,363	21,067	
	Second lien (2)(15)	L(S)	8.00%	13.21%	02/2022	12/2028	5,697	5,710	5,334	
							<u>28,073</u>	<u>26,401</u>		1.99 %
<b>AmeriVet Partners Management, Inc.</b>										
Consumer Services	First lien (2)(15)	SOFR(Q)	5.50%	10.23%	02/2022	02/2028	22,321	22,223	21,875	
	First lien (2)(15)	SOFR(Q)	5.50%	10.23%	02/2022	02/2028	4,024	4,004	3,943	
							<u>26,227</u>	<u>25,818</u>		1.95 %
<b>NMC Crimson Holdings, Inc.</b>										
Healthcare	First lien (8)(15)	L(Q)	6.00%	9.74%	03/2021	03/2028	19,259	19,033	19,124	
	First lien (2)(15)	L(Q)	6.00%	9.74%	03/2021	03/2028	4,913	4,855	4,879	
	First lien (3)(15)(18) - Drawn	L(M)	6.00%	10.39%	03/2021	03/2028	1,635	1,611	1,624	
							<u>25,499</u>	<u>25,627</u>		1.93 %
<b>VT Topco, Inc.</b>										
Business Services	Second lien (2)(15)	L(M)	6.75%	11.13%	07/2021	07/2026	16,183	16,137	15,711	
	Second lien (4)(15)	L(M)	6.75%	11.13%	08/2018	07/2026	10,000	9,987	9,708	
							<u>26,124</u>	<u>25,419</u>		1.92 %
<b>HS Purchaser, LLC / Help/Systems Holdings, Inc.</b>										
Software	Second lien (5)(15)	SOFR(Q)	6.75%	10.94%	11/2019	11/2027	22,500	22,417	21,409	
	Second lien (2)(15)	SOFR(Q)	6.75%	10.94%	11/2019	11/2027	4,208	4,179	4,004	
							<u>26,596</u>	<u>25,413</u>		1.92 %
<b>DOCS, MSO, LLC</b>										
Healthcare	First lien (8)(15)	SOFR(S)	5.75%	10.54%	06/2022	06/2028	18,760	18,760	18,246	
	First lien (4)(15)	SOFR(S)	5.75%	10.54%	06/2022	06/2028	7,025	7,025	6,833	
							<u>25,785</u>	<u>25,079</u>		1.89 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>CRCI Longhorn Holdings, Inc.</b>										
Business Services	Second lien (3)(15)	L(M)	7.25%	11.63%	08/2018	08/2026	\$ 18,266	\$ 18,229	\$ 17,409	
	Second lien (8)(15)	L(M)	7.25%	11.63%	08/2018	08/2026	7,500	7,485	7,148	
								25,714	24,557	1.85 %
<b>ACI Parent Inc. (36)</b>										
<b>ACI Group Holdings, Inc.</b>										
Healthcare	First lien (2)(15)	L(M)*	4.50% + 1.25%/PIK	10.13%	08/2021	08/2028	22,082	21,898	21,338	
	First lien (3)(15)(18) - Drawn	L(M)*	4.50% + 1.25%/PIK	10.13%	08/2021	08/2028	2,840	2,813	2,744	
	First lien (3)(15)(18) - Drawn	L(M)	5.50%	9.88%	08/2021	08/2027	259	256	250	
								24,967	24,332	1.83 %
<b>Idera, Inc.</b>										
Software	Second lien (4)(15)	L(Q)	6.75%	10.50%	06/2019	03/2029	22,500	22,243	21,168	
	Second lien (3)(15)	L(Q)	6.75%	10.50%	04/2021	03/2029	3,000	2,986	2,822	
								25,229	23,990	1.81 %
<b>Bullhorn, Inc.</b>										
Software	First lien (2)(15)	L(Q)	5.75%	10.48%	09/2019	09/2026	16,659	16,586	16,659	
	First lien (2)(15)	L(Q)	5.75%	10.48%	10/2021	09/2026	3,442	3,435	3,442	
	First lien (2)(15)	L(Q)	5.75%	10.48%	09/2019	09/2026	771	766	771	
	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	10.48%	09/2019	09/2026	392	389	392	
	First lien (2)(15)	L(Q)	5.75%	10.48%	09/2019	09/2026	345	344	345	
	First lien (2)(15)	L(Q)	5.75%	10.48%	09/2019	09/2026	275	274	275	
								21,794	21,884	1.65 %
<b>Convey Health Solutions, Inc.</b>										
Healthcare	First lien (4)(15)	SOFR(Q)	5.25%	9.93%	09/2019	09/2026	19,215	19,091	18,639	
	First lien (4)(15)	SOFR(Q)	5.25%	9.93%	02/2022	09/2026	3,208	3,169	3,112	
								22,260	21,751	1.64 %
<b>Spring Education Group, Inc (fka SSH Group Holdings, Inc.)</b>										
Education	Second lien (2)(15)	L(Q)	8.25%	12.98%	07/2018	07/2026	21,959	21,928	21,324	1.61 %
<b>TMK Hawk Parent, Corp.</b>										
Distribution & Logistics	First lien (2)(15)	L(Q)	3.50%	8.26%	06/2019	08/2024	16,395	15,474	10,657	
	First lien (8)(15)	L(Q)	3.50%	8.26%	10/2019	08/2024	15,813	14,687	10,277	
								30,161	20,934	1.58 %
<b>Cardinal Parent, Inc.</b>										
Software	First lien (4)(15)	L(Q)	4.50%	9.23%	10/2020	11/2027	11,974	11,908	11,490	
	Second lien (4)(15)	L(Q)	7.75%	12.46%	11/2020	11/2028	9,767	9,689	9,432	
								21,597	20,922	1.58 %

The accompanying notes are an integral part of these consolidated financial statements.



**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Notorious Topco, LLC</b>										
Consumer Products	First lien (8)(15)	SOFR(Q)	6.75%	10.99%	11/2021	11/2027	\$ 10,051	\$ 9,987	\$ 9,882	
	First lien (8)(15)	SOFR(Q)	6.75%	10.99%	05/2022	11/2027	9,925	9,857	9,758	
	First lien (3)(15)(18) - Drawn	SOFR(Q)	6.75%	10.99%	11/2021	11/2027	876	873	861	
	First lien (3)(15)(18) - Drawn	SOFR(Q)	6.75%	10.99%	11/2021	05/2027	147	146	145	
							<u>20,863</u>	<u>20,646</u>		1.56 %
<b>YLG Holdings, Inc.</b>										
Business Services	First lien (5)(15)	L(S)	5.00%	9.93%	11/2019	10/2025	17,861	17,815	17,393	
	First lien (5)(15)	L(S)	5.00%	9.93%	11/2019	10/2025	2,326	2,319	2,265	
	First lien (5)(15)(18) - Drawn	L(S)	5.00%	9.90%	10/2021	10/2025	495	506	482	
							<u>20,640</u>	<u>20,140</u>		1.52 %
<b>AAC Lender Holdings, LLC (33)</b>										
<b>American Achievement Corporation (aka AAC Holding Corp.)</b>										
Education	First lien (2)(15)	L(M)(42)*	5.75%/PIK + 0.50%	10.38%	09/2015	09/2026	28,829	28,787	20,599	
	First lien (3)(15)	L(M)(42)*	13.50%/PIK + 0.50%	18.13%	06/2021	09/2026	1,527	1,527	—	
	Subordinated (3)(15)	L(Q)(42)*	1.00%/PIK	4.75%	03/2021	09/2026	5,230	—	—	
							<u>30,314</u>	<u>20,599</u>		1.55 %
<b>New Trojan Parent, Inc.</b>										
Healthcare	Second lien (2)(15)	L(M)	7.25%	11.63%	01/2021	01/2029	26,762	26,653	20,101	1.52 %
<b>Xactly Corporation</b>										
Software	First lien (4)(15)	L(Q)	7.25%	11.99%	07/2017	07/2023	19,047	19,030	19,047	
	First lien (3)(15)(18) - Drawn	L(M)	7.25%	11.59%	07/2017	07/2023	992	982	992	
							<u>20,012</u>	<u>20,039</u>		1.51 %
<b>Ansira Holdings, Inc.</b>										
Business Services	First lien (8)(15)	L(Q)(42)*	6.50%/PIK	10.91%	12/2016	12/2024	32,953	33,059	14,829	
	First lien (3)(15)	L(Q)(42)*	6.50%/PIK	11.15%	12/2016	12/2024	8,316	8,308	3,742	
	First lien (3)(15)(18) - Drawn	SOFR(Q)*	2.00% + 8.00%/PIK	14.42%	11/2022	12/2024	313	313	313	
							<u>41,680</u>	<u>18,884</u>		1.42 %
<b>Bluefin Holding, LLC</b>										
Software	First lien (3)(15)(18) - Drawn	L(S)	5.75%	9.93%	09/2019	09/2024	1,212	1,194	1,177	
	Second lien (8)(15)	L(Q)	7.75%	12.48%	09/2019	09/2027	18,000	18,000	17,338	
							<u>19,194</u>	<u>18,515</u>		1.40 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Trinity Air Consultants Holdings Corporation										
Business Services	First lien (2)(15)	L(S)	5.25%	10.18%	06/2021	06/2027	\$ 15,382	\$ 15,260	\$ 15,257	
	First lien (2)(15)(18) - Drawn	L(S)	5.25%	9.40%	06/2021	06/2027	2,889	2,863	2,865	
								18,123	18,122	1.37 %
DG Investment Intermediate Holdings 2, Inc.										
Business Services	Second lien (3)	SOFR(M)	6.75%	11.07%	03/2021	03/2029	20,313	20,270	18,053	1.36 %
FS WhiteWater Holdings, LLC (38)										
FS WhiteWater Borrower, LLC										
Consumer Services	First lien (5)(15)	L(Q)	5.75%	10.48%	12/2021	12/2027	10,395	10,306	10,110	
	First lien (5)(15)	L(Q)	5.75%	10.48%	12/2021	12/2027	3,489	3,456	3,393	
	First lien (5)(15)	L(Q)	5.75%	10.48%	12/2021	12/2027	3,467	3,437	3,372	
	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	10.50%	12/2021	12/2027	490	485	477	
	First lien (3)(15)(18) - Drawn	L(Q)	6.00%	10.53%	07/2022	12/2027	589	635	584	
								18,319	17,936	1.35 %
Pioneer Topco I, L.P. (39)										
Pioneer Buyer I, LLC										
Software	First lien (8)(15)	L(Q)*	7.00%/PIK	11.73%	11/2021	11/2028	14,900	14,782	14,706	
	First lien (8)(15)	L(Q)*	7.00%/PIK	11.73%	03/2022	11/2028	2,042	2,025	2,016	
								16,807	16,722	1.26 %
Coyote Buyer, LLC										
Specialty Chemicals & Materials	First lien (5)(15)	L(Q)	6.00%	10.41%	03/2020	02/2026	13,795	13,755	13,795	
	First lien (5)(15)	L(Q)	8.00%	12.73%	10/2020	08/2026	2,482	2,466	2,482	
								16,221	16,277	1.23 %
The Kleinfelder Group, Inc.										
Business Services	First lien (4)(15)	L(Q)	5.25%	9.98%	12/2018	11/2024	16,533	16,503	16,241	1.22 %
Kele Holdco, Inc.										
Distribution & Logistics	First lien (5)(15)	L(M)	5.25%	9.42%	02/2020	02/2026	15,788	15,742	15,788	1.19 %
MED Parentco, LP										
Healthcare	Second lien (8)	L(M)	8.25%	12.63%	08/2019	08/2027	20,857	20,752	15,726	1.19 %
Daxko Acquisition Corporation										
Software	First lien (8)(15)	L(M)	5.50%	9.88%	10/2021	10/2028	13,144	13,031	12,776	
	First lien (2)(15)	L(M)	5.50%	9.88%	10/2021	10/2028	1,107	1,097	1,076	
	First lien (3)(15)(18) - Drawn	P(Q)	4.50%	12.00%	10/2021	10/2027	33	33	32	
								14,161	13,884	1.05 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
CFS Management, LLC										
Healthcare	First lien (2)(15)	SOFR(Q)*	6.25% + 0.75%PIK	11.84%	08/2019	07/2024	\$ 11,392	\$ 11,372	\$ 10,637	
	First lien (2)(15)	SOFR(Q)*	6.25% + 0.75%PIK	11.84%	08/2019	07/2024	3,393	3,386	3,168	
								<u>14,758</u>	<u>13,805</u>	1.04 %
Castle Management Borrower LLC										
Business Services	First lien (8)(15)	L(Q)	2.19%	3.19%	05/2018	02/2025	14,288	14,269	13,605	1.03 %
Alegeus Technologies Holdings Corp.										
Healthcare	First lien (8)(15)	L(A)	8.25%	10.95%	09/2018	09/2024	13,444	13,421	13,444	1.01 %
Calabrio, Inc.										
Software	First lien (5)(15)	L(Q)	7.00%	11.73%	04/2021	04/2027	12,347	12,277	12,347	
	First lien (3)(15)(18) - Drawn	L(Q)	7.00%	11.75%	04/2021	04/2027	850	843	850	
								<u>13,120</u>	<u>13,197</u>	1.00 %
IMO Investor Holdings, Inc.										
Healthcare	First lien (2)(15)	SOFR(S)	6.00%	10.62%	05/2022	05/2029	12,974	12,854	12,845	
	First lien (3)(15)(18) - Drawn	SOFR(S)	6.00%	10.61%	05/2022	05/2028	294	291	291	
								<u>13,145</u>	<u>13,136</u>	0.99 %
FR Arsenal Holdings II Corp.										
Business Services	First lien (2)(15)	L(M)*	7.50% + 2.00%PIK	13.88%	09/2016	01/2023	14,582	14,579	13,123	0.99 %
Apptio, Inc.										
Software	First lien (8)(15)	L(Q)	6.00%	9.94%	01/2019	01/2025	5,703	5,658	5,703	
	First lien (2)(15)	L(Q)	6.00%	9.94%	01/2019	01/2025	5,500	5,456	5,500	
	First lien (3)(15)(18) - Drawn	L(Q)	6.00%	9.94%	01/2019	01/2025	1,240	1,215	1,240	
								<u>12,329</u>	<u>12,443</u>	0.94 %
Transcendia Holdings, Inc.										
Packaging	Second lien (8)(15)	L(M)	8.00%	12.38%	06/2017	05/2025	14,500	14,423	12,418	0.94 %
USRP Holdings, Inc.										
Business Services	First lien (2)(15)	L(Q)	5.50%	10.23%	07/2021	07/2027	11,311	11,222	10,945	
	First lien (3)(15)	L(Q)	5.50%	10.23%	07/2021	07/2027	1,473	1,460	1,425	
								<u>12,682</u>	<u>12,370</u>	0.93 %
CHA Holdings, Inc.										
Business Services	Second lien (4)(15)	L(Q)	8.75%	13.48%	04/2018	04/2026	7,012	6,976	6,923	
	Second lien (3)(15)	L(Q)	8.75%	13.48%	04/2018	04/2026	4,453	4,430	4,396	
								<u>11,406</u>	<u>11,319</u>	0.85 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Specialtycare, Inc.										
Healthcare	First lien (2)(15)	L(Q)	5.75%	9.49%	06/2021	06/2028	\$ 10,458	\$ 10,341	\$ 10,019	
	First lien (3)(15)(18) - Drawn	L(M)	4.00%	8.29%	06/2021	06/2026	212	209	204	
	First lien (3)(15)(18) - Drawn	L(Q)	5.75%	9.76%	06/2021	06/2028	79	75	75	
								10,625	10,298	0.78 %
Quartz Holding Company										
Software	Second lien (3)(15)	L(M)	8.00%	12.38%	04/2019	04/2027	10,000	9,877	9,802	0.74 %
CG Group Holdings, LLC										
Specialty Chemicals & Materials	First lien (2)(15)	L(Q)*	5.25% + 2.00%/PIK	11.98%	07/2021	07/2027	8,317	8,244	7,411	
	First lien (3)(15)(18) - Drawn	L(M)*	5.25% + 2.00%/PIK	11.63%	07/2021	07/2026	916	906	817	
								9,150	8,228	0.62 %
PPVA Black Elk (Equity) LLC										
Business Services	Subordinated (3)(15)	—	—	—	05/2013	—	14,500	14,500	7,995	0.60 %
KPSKY Acquisition Inc.										
Business Services	First lien (8)(15)	L(M)	5.50%	9.89%	10/2021	10/2028	6,968	6,908	6,662	
	First lien (2)(15)	P(Q)	4.50%	12.00%	10/2021	10/2028	801	794	766	
	First lien (2)(15)(18) - Drawn	P(Q)	4.50%	12.00%	06/2022	10/2028	145	144	139	
								7,846	7,567	0.57 %
TRC Companies L.L.C. (fka Energize Holdco LLC)										
Business Services	Second lien (2)(15)	L(M)	6.75%	11.13%	11/2021	12/2029	7,950	7,914	7,488	0.56 %
DS Admiral Bidco, LLC										
Software	First lien (2)	SOFR(M)	7.00%	11.51%	12/2022	12/2029	7,547	7,434	7,434	0.56 %
Vectra Co.										
Business Products	Second lien (8)(15)	L(M)	7.25%	11.63%	02/2018	03/2026	10,788	10,769	7,004	0.53 %
Community Brands ParentCo, LLC										
Software	First lien (2)(15)	SOFR(M)	5.75%	10.17%	02/2022	02/2028	7,163	7,100	6,928	0.52 %
Safety Borrower Holdings LLC										
Software	First lien (2)(15)	L(S)	5.25%	10.41%	09/2021	09/2027	6,975	6,946	6,861	0.52 %
Sun Acquirer Corp.										
Consumer Services	First lien (2)(15)	L(M)	5.75%	10.13%	09/2021	09/2028	3,985	3,956	3,917	
	First lien (2)(15)(18) - Drawn	L(M)	5.75%	10.13%	09/2021	09/2028	2,791	2,757	2,744	
								6,713	6,661	0.50 %
PPV Intermediate Holdings, LLC										
Consumer Services	First lien (4)(15)	SOFR(M)	5.75%	9.12%	08/2022	08/2029	6,629	6,565	6,500	
	First lien (3)(15)(18) - Drawn	SOFR(Q)	5.75%	10.03%	08/2022	08/2029	131	134	129	
								6,699	6,629	0.50 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Appriss Health Holdings, Inc. (23)										
Appriss Health, LLC										
Healthcare	First lien (8)(15)	L(M)	7.25%	11.54%	05/2021	05/2027	\$ 6,234	\$ 6,186	\$ 6,234	0.47 %
Pye-Barker Fire & Safety, LLC										
Business Services	First lien (2)(15)	L(Q)	5.50%	10.23%	11/2021	11/2027	5,161	5,115	5,014	
	First lien (3)(15)(18) - Drawn	L(Q)	5.50%	10.23%	11/2021	11/2024	422	418	410	
								5,533	5,424	0.41 %
ADG, LLC										
Healthcare	Second lien (3)(15)	L(M)*	10.00%/PIK	14.38%	10/2016	03/2024	7,430	7,413	4,984	0.38 %
Virtusa Corporation										
Software	Subordinated (3)	FIXED(S)	7.13%	7.13%	10/2022	12/2028	5,000	3,824	3,817	0.29 %
Education Management Corporation (20)										
Education Management II LLC										
Education	First lien (2)	P(M)(42)	7.50%	13.00%	01/2015	07/2020	300	292	—	
	First lien (3)	P(M)(42)	7.50%	13.00%	01/2015	07/2020	169	165	—	
	First lien (2)	P(Q)(42)	6.50%	9.75%	01/2015	07/2020	205	199	—	
	First lien (3)	P(Q)(42)	6.50%	9.75%	01/2015	07/2020	115	112	—	
	First lien (2)	P(Q)(42)	8.50%	11.75%	01/2015	07/2020	139	115	—	
	First lien (3)	P(Q)(42)	8.50%	11.75%	01/2015	07/2020	79	65	—	
	First lien (2)	P(Q)(42)	8.50%	11.75%	01/2015	07/2020	4	3	—	
	First lien (3)	P(Q)(42)	8.50%	11.75%	01/2015	07/2020	2	2	—	
								953	—	— %
PPVA Fund, L.P.										
Business Services	Collateralized Financing (42)(43)	—	—	—	11/2014	—	—	—	—	— %
<b>Total Funded Debt Investments - United States</b>								<b>\$ 2,194,600</b>	<b>\$ 2,081,746</b>	<b>156.97 %</b>
<b>Funded Debt Investments - Netherlands</b>										
Tahoe Finco, LLC**										
Information Technology	First lien (2)(15)	L(M)	6.00%	10.29%	10/2021	09/2028	\$ 35,000	\$ 34,700	\$ 34,436	
	First lien (8)(15)	L(M)	6.00%	10.29%	10/2021	09/2028	24,189	23,982	23,800	
								58,682	58,236	4.39 %
<b>Total Funded Debt Investments - Netherlands</b>								<b>\$ 58,682</b>	<b>\$ 58,236</b>	<b>4.39 %</b>
<b>Funded Debt Investments - United Kingdom</b>										
Aston FinCo S.a r.l. / Aston US Finco, LLC**										
Software	Second lien (8)(15)	L(M)	8.25%	12.63%	10/2019	10/2027	\$ 34,459	\$ 34,271	\$ 34,356	2.59 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Integro Parent Inc.</b>										
Business Services	First lien (2)(15)	SOFR(Q)*	12.25%/PIK	16.83%	10/2015	05/2023	\$ 4,187	\$ 4,184	\$ 4,187	
	First lien (3)(15)	SOFR(Q)*	12.25%/PIK	16.83%	06/2018	05/2023	827	823	828	
	Second lien (3)(15)	SOFR(Q)(42)*	12.25%/PIK	16.83%	10/2015	10/2023	11,510	11,109	8,718	
								16,116	13,733	1.04 %
<b>Total Funded Debt Investments - United Kingdom</b>								<b>\$ 50,387</b>	<b>\$ 48,089</b>	<b>3.63 %</b>
<b>Funded Debt Investments - Jersey</b>										
<b>Tennessee Bidco Limited **</b>										
Business Services	First lien (3)(15)(16)	SONIA(D)	7.00%	10.95%	08/2021	08/2028	£ 12,879	\$ 17,634	\$ 15,562	
	First lien (3)(15)(16)	SONIA(D)	7.00%	10.95%	08/2021	08/2028	£ 10,538	13,133	12,734	
	First lien (3)(15)	L(S)	7.00%	10.38%	08/2021	08/2028	\$ 10,184	10,055	10,184	
	First lien (3)(15)	L(S)	7.00%	11.78%	08/2021	08/2028	\$ 6,246	6,162	6,246	
	First lien (3)(15)(16)	EURIBOR(S)	7.00%	7.63%	08/2021	08/2028	€ 708	714	757	
								47,698	45,483	3.43 %
<b>Total Funded Debt Investments - Jersey</b>								<b>\$ 47,698</b>	<b>\$ 45,483</b>	<b>3.43 %</b>
<b>Funded Debt Investments - Australia</b>										
<b>Atlas AU Bidco Pty Ltd**</b>										
Business Services	First lien (2)	SOFR(M)	7.25%	11.48%	12/2022	12/2029	\$ 3,454	\$ 3,402	\$ 3,402	0.26 %
<b>Total Funded Debt Investments - Australia</b>								<b>\$ 3,402</b>	<b>\$ 3,402</b>	<b>0.26 %</b>
<b>Total Funded Debt Investments</b>								<b>\$ 2,354,769</b>	<b>\$ 2,236,956</b>	<b>168.68 %</b>
<b>Equity - United States</b>										
<b>Dealer Tire Holdings, LLC (30)</b>										
Distribution & Logistics	Preferred shares (3)(15)	—	—	—	09/2021	—	56,271	\$ 65,202	\$ 65,688	4.95 %
<b>Symplr Software Intermediate Holdings, Inc. (31)</b>										
Healthcare	Preferred shares (4)(15)	—	—	—	11/2018	—	7,500	11,986	11,396	
	Preferred shares (3)(15)	—	—	—	11/2018	—	2,586	4,132	3,929	
								16,118	15,325	1.16 %
<b>Knoekout Intermediate Holdings I Inc. (41)</b>										
Software	Preferred shares (3)(15)	—	—	—	06/2022	—	15,150	14,961	14,661	1.11 %
<b>ACI Parent Inc. (36)</b>										
Healthcare	Preferred shares (3)(15)	—	—	—	08/2021	—	12,500	14,605	14,068	1.06 %
<b>Project Essential Super Parent, Inc. (34)</b>										
Software	Preferred shares (3)(15)	—	—	—	04/2021	—	10,000	11,885	11,569	0.87 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
(in thousands, except shares)

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Diamond Parent Holdings Corp. (35)</b>										
Diligent Preferred Issuer, Inc.										
Software	Preferred shares (3)(15)	—	—	—	04/2021	—	10,000	\$ 11,518	\$ 11,304	0.85 %
<b>OEC Holdco, LLC (22)</b>										
Software	Preferred shares (12)(15)	—	—	—	12/2021	—	7,214	7,565	7,214	0.54 %
<b>HB Wealth Management, LLC (37)</b>										
Financial Services	Preferred shares (11)(15)	—	—	—	09/2021	—	48,303	4,794	5,126	0.39 %
<b>FS WhiteWater Holdings, LLC (38)</b>										
Consumer Services	Ordinary shares (5)(15)	—	—	—	12/2021	—	50,000	5,000	4,686	0.35 %
<b>Appriss Health Holdings, Inc. (23)</b>										
Appriss Health Intermediate Holdings, Inc.										
Healthcare	Preferred shares (3)(15)	—	—	—	05/2021	—	2,333	2,755	2,628	0.20 %
<b>OA Topco, L.P. (40)</b>										
Healthcare	Ordinary shares (3)(15)	—	—	—	12/2021	—	2,000,000	2,000	2,000	0.15 %
<b>Pioneer Topco I, L.P. (39)</b>										
Software	Ordinary shares (13)(15)	—	—	—	11/2021	—	199,980	1,999	1,631	0.12 %
<b>Ancora Acquisition LLC</b>										
Education	Preferred shares (9)(15)	—	—	—	08/2013	—	372	83	158	0.01 %
<b>Education Management Corporation (20)</b>										
Education	Preferred shares (2)	—	—	—	01/2015	—	3,331	200	—	
	Preferred shares (3)	—	—	—	01/2015	—	1,879	113	—	
	Ordinary shares (2)	—	—	—	01/2015	—	2,994,065	100	—	
	Ordinary shares (3)	—	—	—	01/2015	—	1,688,976	56	—	
								469	—	— %
<b>AAC Lender Holdings, LLC (33)</b>										
Education	Ordinary shares (3)(15)	—	—	—	03/2021	—	758	—	—	— %
<b>Total Shares - United States</b>								<b>\$ 158,954</b>	<b>\$ 156,058</b>	<b>11.77 %</b>
<b>Equity - Hong Kong</b>										
Bach Special Limited (Bach Preference Limited)**										
Education	Preferred shares (3)(15) (29)	—	—	—	09/2017	—	108,620	\$ 10,782	\$ 10,748	0.81 %
<b>Total Shares - Hong Kong</b>								<b>\$ 10,782</b>	<b>\$ 10,748</b>	<b>0.81 %</b>
<b>Total Shares</b>								<b>\$ 169,736</b>	<b>\$ 166,806</b>	<b>12.58 %</b>
<b>Total Funded Investments</b>								<b>\$ 2,524,505</b>	<b>\$ 2,403,762</b>	<b>181.25 %</b>

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Unfunded Debt Investments - United States</b>										
<b>Ansira Holdings, Inc</b>										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	11/2022	11/2024	\$ 1,161	\$ —	\$ —	— %
<b>AAC Lender Holdings, LLC (33)</b>										
American Achievement Corporation (aka AAC Holding Corp.)										
Education	First lien (3)(15)(18) - Undrawn	—	—	—	01/2021	09/2026	2,652	—	—	— %
<b>Bullhorn, Inc.</b>										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	09/2019	09/2026	460	(3)	—	— %
<b>Appriss Health Holdings, Inc. (23)</b>										
<b>Appriss Health, LLC</b>										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	05/2021	05/2027	417	(4)	—	— %
<b>Coyote Buyer, LLC</b>										
Specialty Chemicals & Materials	First lien (3)(15)(18) - Undrawn	—	—	—	03/2020	02/2025	1,013	(5)	—	— %
<b>Calabrio, Inc.</b>										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	04/2021	04/2027	637	(5)	—	— %
<b>Kele Holdco, Inc.</b>										
Distribution & Logistics	First lien (3)(15)(18) - Undrawn	—	—	—	02/2020	02/2026	1,799	(9)	—	— %
<b>Granicus, Inc.</b>										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	01/2021	01/2027	1,604	(12)	—	— %
<b>Diamond Parent Holdings Corp. (35)</b>										
<b>Diligent Corporation</b>										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	03/2021	08/2025	2,537	(13)	—	— %
<b>Apptio, Inc.</b>										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	01/2019	01/2025	827	(17)	—	— %
<b>Associations, Inc.</b>										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	07/2021	07/2027	3,543	(18)	—	— %

The accompanying notes are an integral part of these consolidated financial statements.



**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
(in thousands, except shares)

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
Safety Borrower Holdings LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	09/2021	09/2027	\$ 512	\$ (3)	\$ (8)	(0.00)%
Bluefin Holding, LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	09/2019	09/2024	303	(5)	(9)	(0.00)%
Sun Acquirer Corp.										
Consumer Services	First lien (3)(15)(18) - Undrawn	—	—	—	09/2021	09/2027	559	(5)	(9)	
	First lien (2)(15)(18) - Undrawn	—	—	—	09/2021	09/2023	152	(1)	(3)	
								(6)	(12)	(0.00)%
Pye-Barker Fire & Safety, LLC										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	11/2021	11/2024	483	(5)	(14)	(0.00)%
IG Investments Holdings, LLC										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	09/2021	09/2027	1,379	(14)	(19)	(0.00)%
Notorious Topco, LLC										
Consumer Products	First lien (3)(15)(18) - Undrawn	—	—	—	11/2021	11/2023	587	(7)	(10)	
	First lien (3)(15)(18) - Undrawn	—	—	—	11/2021	05/2027	734	(6)	(12)	
								(13)	(22)	(0.00)%
PPV Intermediate Holdings, LLC										
Consumer Services	First lien (3)(15)(18) - Undrawn	—	—	—	08/2022	08/2029	355	(7)	(7)	
	First lien (4)(15)(18) - Undrawn	—	—	—	08/2022	08/2024	885	—	(17)	
								(7)	(24)	(0.00)%
CG Group Holdings, LLC										
Specialty Chemicals & Materials	First lien (3)(15)(18) - Undrawn	—	—	—	07/2021	07/2026	226	(3)	(25)	(0.00)%
Recorded Future, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	08/2019	07/2025	2,981	(20)	(25)	(0.00)%
USRP Holdings, Inc.										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	07/2021	07/2027	893	(9)	(29)	(0.00)%

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
OA Topco, L.P. (40)										
OA Buyer, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	12/2028	\$ 3,600	\$ (36)	\$ (29)	(0.00)%
Avalara, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	10/2022	10/2028	3,538	(44)	(30)	(0.00)%
Trinity Air Consultants Holdings Corporation										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	06/2021	06/2027	1,501	(15)	(12)	
	First lien (2)(15)(18) - Undrawn	—	—	—	06/2021	06/2023	2,364	—	(19)	
								(15)	(31)	(0.00)%
Pioneer Topco I, L.P. (39)										
Pioneer Buyer I, LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	11/2021	11/2027	2,446	(24)	(32)	(0.00)%
iCIMS, Inc.										
Software	First lien (8)(15)(18) - Undrawn	—	—	—	08/2022	08/2024	11,763	—	—	
	First lien (3)(15)(18) - Undrawn	—	—	—	08/2022	08/2028	4,218	(37)	(37)	
								(37)	(37)	(0.00)%
Daxko Acquisition Corporation										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2023	524	—	(15)	
	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2027	953	(10)	(27)	
								(10)	(42)	(0.00)%
Community Brands ParentCo, LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2028	425	(4)	(14)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2024	849	—	(28)	
								(4)	(42)	(0.00)%
IMO Investor Holdings, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	05/2028	1,254	(13)	(13)	
	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	05/2024	3,097	—	(31)	
								(13)	(44)	(0.00)%

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
KPSKY Acquisition Inc.										
Business Services	First lien (2)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	\$ 1,022	\$ —	\$ (45)	(0.00)%
GC Waves Holdings, Inc.										
Financial Services	First lien (2)(15)(18) - Undrawn	—	—	—	04/2022	04/2024	757	—	(9)	
	First lien (3)(15)(18) - Undrawn	—	—	—	10/2019	08/2026	2,963	(22)	(36)	
								(22)	(45)	(0.00)%
Specialtycare, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	06/2021	06/2026	347	(5)	(15)	
	First lien (3)(15)(18) - Undrawn	—	—	—	06/2021	06/2023	868	—	(36)	
								(5)	(51)	(0.00)%
Infogain Corporation										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	07/2021	07/2026	2,759	(21)	(52)	(0.00)%
GS Acquisitionco, Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	08/2019	05/2026	5,917	(36)	(53)	(0.00)%
NMC Crimson Holdings, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	03/2021	03/2023	9,029	—	(63)	(0.00)%
Wealth Enhancement Group, LLC										
Financial Services	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	10/2027	2,040	(6)	(13)	
	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	05/2024	8,327	(21)	(53)	
								(27)	(66)	(0.00)%
DCA Investment Holding, LLC										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	03/2021	03/2023	450	—	(9)	
	First lien (3)(18) - Undrawn	—	—	—	12/2022	12/2024	3,936	—	(59)	
								—	(68)	(0.01)%
Foreside Financial Group, LLC										
Business Services	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	09/2027	2,095	(21)	(21)	
	First lien (3)(15)(18) - Undrawn	—	—	—	05/2022	05/2024	4,907	—	(49)	
								(21)	(70)	(0.01)%

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
FS WhiteWater Holdings, LLC (38)										
FS WhiteWater Borrower, LLC										
Consumer Services	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	12/2027	\$ 910	\$ (9)	\$ (25)	
	First lien (3)(15)(18) - Undrawn	—	—	—	07/2022	12/2024	5,165	(52)	(52)	
								(61)	(77)	(0.01)%
Knockout Intermediate Holdings I Inc. (41)										
Kaseya Inc.										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	3,851	—	(56)	
	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2029	3,851	(29)	(56)	
								(29)	(112)	(0.01)%
TigerConnect, Inc.										
Healthcare	First lien (2)(15)(18) - Undrawn	—	—	—	02/2022	02/2023	955	—	(23)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2028	4,267	(43)	(102)	
								(43)	(125)	(0.01)%
MRI Software LLC										
Software	First lien (3)(15)(18) - Undrawn	—	—	—	01/2020	02/2026	2,002	(10)	(45)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	08/2023	4,074	—	(92)	
								(10)	(137)	(0.01)%
YLG Holdings, Inc.										
Business Services	First lien (5)(15)(18) - Undrawn	—	—	—	10/2021	10/2023	1,584	(16)	(41)	
	First lien (3)(15)(18) - Undrawn	—	—	—	11/2019	10/2025	3,968	(20)	(104)	
								(36)	(145)	(0.01)%
Fortis Solutions Group, LLC										
Packaging	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2023	81	—	(2)	
	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2027	2,479	(25)	(58)	
	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	4,886	—	(114)	
								(25)	(174)	(0.01)%

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
ACI Parent Inc. (36)										
ACI Group Holdings, Inc.										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	08/2027	\$ 2,095	\$ (21)	\$ (71)	
	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	08/2023	5,386	—	(181)	
								(21)	(252)	(0.02)%
Paw Mideo, Inc.										
AAH Topco, LLC										
Consumer Services	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	12/2027	3,659	(37)	(45)	
	First lien (4)(15)(18) - Undrawn	—	—	—	01/2022	12/2023	4,231	(42)	(52)	
	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	12/2023	13,041	(130)	(162)	
								(209)	(259)	(0.02)%
AmeriVet Partners Management, Inc.										
Consumer Services	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2028	1,969	(10)	(39)	
	First lien (3)(15)(18) - Undrawn	—	—	—	02/2022	02/2024	11,718	—	(234)	
								(10)	(273)	(0.02)%
DOCS, MSO, LLC										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2028	2,405	—	(66)	
	First lien (4)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	2,457	—	(67)	
	First lien (3)(15)(18) - Undrawn	—	—	—	06/2022	06/2024	6,561	—	(180)	
								—	(313)	(0.02)%
Deca Dental Holdings LLC										
Healthcare	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	08/2027	404	(4)	(17)	
	First lien (3)(15)(18) - Undrawn	—	—	—	08/2021	08/2023	9,080	—	(390)	
								(4)	(407)	(0.03)%
<b>Total Unfunded Debt Investments - United States</b>								<b>\$ (934)</b>	<b>\$ (3,261)</b>	<b>(0.25)%</b>
<b>Unfunded Debt Investments - Netherlands</b>										
Tahoe Finco, LLC**										
Information Technology	First lien (3)(15)(18) - Undrawn	—	—	—	10/2021	10/2027	\$ 4,439	\$ (44)	\$ (71)	(0.01)%
<b>Total Unfunded Debt Investments - Netherlands</b>								<b>\$ (44)</b>	<b>\$ (71)</b>	<b>(0.01)%</b>

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Unfunded Debt Investments - Australia</b>										
Atlas AU Bidco Pty Ltd**										
Business Services	First lien (3)(18) - Undrawn	—	—	—	12/2022	12/2028	\$ 320	\$ (5)	\$ (5)	— %
<b>Total Unfunded Debt Investments - Australia</b>								\$ (5)	\$ (5)	— %
<b>Total Unfunded Debt Investments</b>								\$ (983)	\$ (3,337)	(0.25)%
<b>Total Non-Controlled/Non-Affiliated Investments</b>								\$ 2,523,522	\$ 2,400,425	181.00 %
<b>Non-Controlled/Affiliated Investments (44)</b>										
<b>Funded Debt Investments - United States</b>										
TVG-Edmentum Holdings, LLC (24)										
Edmentum Ultimate Holdings, LLC										
Education	Subordinated (3)(15)	FIXED(Q)*	6.50% + 6.50%/PIK	13.00%	12/2020	01/2027	\$ 16,473	\$ 16,362	\$ 16,473	1.24 %
Sierra Hamilton Holdings Corporation										
Energy	Second lien (3)(15)	FIXED(Q)(42)*	15.00%/PIK	15.00%	09/2019	09/2023	5	5	—	— %
Permian Holdco 3, Inc.										
Permian Trust										
Energy	First lien (10)(15)	FIXED(Q)(42)*	10.00%/PIK	10.00%	03/2021	—	247	—	—	— %
	First lien (3)(15)	L(M)(42)*	10.00%/PIK	11.00%	07/2020	—	3,409	—	—	— %
<b>Total Funded Debt Investments - United States</b>								\$ 16,367	\$ 16,473	1.24 %
<b>Equity - United States</b>										
TVG-Edmentum Holdings, LLC										
Education	Ordinary shares (3)(15)	—	—	—	12/2020	—	48,899	\$ 56,821	\$ 110,314	8.32 %
Sierra Hamilton Holdings Corporation										
Energy	Ordinary shares (2)(15)	—	—	—	07/2017	—	25,000,000	11,501	3,599	— %
	Ordinary shares (3)(15)	—	—	—	07/2017	—	2,786,000	1,282	401	— %
<b>Total Shares - United States</b>								\$ 69,604	\$ 114,314	8.62 %
<b>Total Non-Controlled/Affiliated Investments</b>								\$ 85,971	\$ 130,787	9.86 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>Controlled Investments (45)</b>										
<b>Funded Debt Investments - United States</b>										
New Benevis Topco, LLC (32)										
New Benevis Holdco, Inc.										
Healthcare	First lien (2)(15)	L(Q)*	2.50% + 7.00%/PIK	14.23%	10/2020	04/2025	\$ 35,541	\$ 35,541	\$ 35,541	
	First lien (8)(15)	L(Q)*	2.50% + 7.00%/PIK	14.23%	10/2020	04/2025	8,720	8,720	8,720	
	First lien (3)(15)	L(Q)*	2.50% + 7.00%/PIK	14.23%	10/2020	04/2025	4,282	4,282	4,282	
	Subordinated (3)(15)	FIXED(M)*	12.00%/PIK	12.00%	10/2020	10/2025	18,687	16,874	14,950	
							<u>65,417</u>	<u>63,493</u>		4.79 %
UniTek Global Services, Inc.										
Business Services	First lien (2)(15)	SOFR(S)*	5.50% + 2.00%/PIK	10.76%	06/2018	08/2024	22,367	21,885	22,367	
	First lien (2)(15)	SOFR(S)*	5.50% + 2.00%/PIK	10.76%	06/2018	08/2024	3,949	3,855	3,949	
	Second lien (3)(15)	FIXED(Q)*	15.00%/PIK	15.00%	12/2020	02/2025	11,575	11,574	10,384	
	Second lien (3)(15)	FIXED(Q)*	15.00%/PIK	15.00%	07/2022	02/2025	5,131	5,131	4,603	
							<u>42,445</u>	<u>41,303</u>		3.11 %
New Permian Holdco, Inc.										
New Permian Holdco, L.L.C.										
Energy	First lien (3)(15)	FIXED(M)*	18.00%/PIK	18.00%	10/2020	12/2024	21,779	21,779	21,779	
	First lien (3)(15)(18) - Drawn	L(M)*	9.00%/PIK	13.12%	10/2020	12/2024	9,785	9,785	9,785	
							<u>31,564</u>	<u>31,564</u>		2.38 %
NHME Holdings Corp. (28)										
National HME, Inc.										
Healthcare	Second lien (3)(15)	FIXED(Q)(42)*	12.00%/PIK	12.00%	11/2018	05/2024	13,013	12,583	5,381	
	Second lien (3)(15)	FIXED(Q)(42)*	12.00%/PIK	12.00%	11/2018	05/2024	14,500	12,693	—	
							<u>25,276</u>	<u>5,381</u>		0.41 %
<b>Total Funded Debt Investments - United States</b>								<b>\$ 164,702</b>	<b>\$ 141,741</b>	<b>10.69 %</b>
<b>Equity - United States</b>										
NMFC Senior Loan Program III LLC**										
Investment Fund	Membership interest (3) (15)	—	—	—	05/2018	—	—	\$ 140,000	\$ 140,000	10.56 %
NMFC Senior Loan Program IV LLC**										
Investment Fund	Membership interest (3) (15)	—	—	—	05/2021	—	—	112,400	112,400	8.48 %

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>NM NL Holdings, L.P.**</b>										
Net Lease	Membership interest (7)(15)	—	—	—	06/2018	—	—	\$ 76,370	\$ 94,305	7.11 %
<b>New Benevis Topco, LLC (32)</b>										
Healthcare	Ordinary shares (2)(15)	—	—	—	10/2020	—	269,027	27,154	34,490	
	Ordinary shares (8)(15)	—	—	—	10/2020	—	66,007	6,662	8,462	
	Ordinary shares (3)(15)	—	—	—	10/2020	—	60,068	6,106	7,701	
								39,922	50,653	3.82 %
<b>QID TRH Holdings LLC (21)</b>										
<b>Haven Midstream Holdings LLC(21)</b>										
Specialty Chemicals & Materials	Ordinary shares (14)(15)	—	—	—	10/2021	—	80	—	35,679	
	Profit Interest (6)(15)	—	—	—	10/2021	—	5	—	109	
								—	35,788	2.70 %
<b>New Permian Holdeo, Inc.</b>										
Energy	Ordinary shares (3)(15)	—	—	—	10/2020	—	100	11,155	26,000	1.96 %
<b>UniTek Global Services, Inc.</b>										
Business Services	Preferred shares (3)(15)(27)	—	—	—	08/2018	—	15,434,113	15,434	11,626	
	Preferred shares (3)(15)(27)	—	—	—	08/2019	—	9,173,217	9,173	7,670	
	Preferred shares (3)(15)(26)(42)	—	—	—	06/2017	—	19,795,435	19,795	6,491	
	Preferred shares (2)(15)(26)(42)	—	—	—	01/2015	—	29,326,545	26,946	—	
	Preferred shares (3)(15)(25)(42)	—	—	—	01/2015	—	8,104,462	7,447	—	
	Ordinary shares (2)(15)	—	—	—	01/2015	—	2,096,477	1,926	—	
	Ordinary shares (3)(15)	—	—	—	01/2015	—	1,993,749	533	—	
								81,254	25,787	1.94 %
<b>NM CLFX LP</b>										
Net Lease	Membership interest (7)(15)	—	—	—	10/2017	—	—	12,538	16,172	1.22 %
<b>NM YI, LLC</b>										
Net Lease	Membership interest (7)(15)	—	—	—	09/2019	—	—	6,272	9,481	0.71 %
<b>NM GP Holdeo, LLC**</b>										
Net Lease	Membership interest (7)(15)	—	—	—	06/2018	—	—	861	1,028	0.08 %
<b>NHME Holdings Corp.(28)</b>										
Healthcare	Ordinary shares (3)(15)	—	—	—	11/2018	—	640,000	4,000	—	— %
<b>NM GLCR LP</b>										
Net Lease	Membership interest (7)(15)	—	—	—	02/2018	—	—	—	—	— %

The accompanying notes are an integral part of these consolidated financial statements.



**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

Portfolio Company, Location and Industry(1)	Type of Investment	Reference	Spread	Interest Rate (19)	Acquisition Date	Maturity/Expiration Date	Principal Amount, Par Value or Shares (17)	Cost	Fair Value	Percent of Net Assets
<b>NM APP US LLC</b>										
Net Lease	Membership interest (7) (15)	—	—	—	09/2016	—	—	\$ —	\$ —	— %
<b>NM DRVT LLC</b>										
Net Lease	Membership interest (7) (15)	—	—	—	11/2016	—	—	—	—	— %
<b>NM JRA LLC</b>										
Net Lease	Membership interest (7) (15)	—	—	—	08/2016	—	—	—	—	— %
<b>NM KRLN LLC</b>										
Net Lease	Membership interest (7) (15)	—	—	—	11/2016	—	—	—	—	— %
<b>Total Shares - United States</b>								<b>\$ 484,772</b>	<b>\$ 511,614</b>	<b>38.58 %</b>
<b>Equity - Canada</b>										
<b>NM APP Canada Corp.**</b>										
Net Lease	Membership interest (7) (15)	—	—	—	09/2016	—	—	\$ —	\$ —	— %
<b>Total Shares - Canada</b>								<b>\$ —</b>	<b>\$ —</b>	<b>— %</b>
<b>Total Shares</b>								<b>\$ 484,772</b>	<b>\$ 511,614</b>	<b>38.58 %</b>
<b>Warrants - United States</b>										
<b>UniTek Global Services, Inc.</b>										
Business Services	Warrants (3)(15)	—	—	—	12/2020	02/2025	13,305	\$ —	\$ 36,680	2.77 %
<b>NHME Holdings Corp. (28)</b>										
Healthcare	Warrants (3)(15)	—	—	—	11/2018	—	160,000	1,000	—	— %
<b>Total Warrants - United States</b>								<b>\$ 1,000</b>	<b>\$ 36,680</b>	<b>2.77 %</b>
<b>Total Funded Investments</b>								<b>\$ 650,474</b>	<b>\$ 690,035</b>	<b>52.03 %</b>
<b>Unfunded Debt Investments - United States</b>										
<b>New Permian Holdco, Inc.</b>										
<b>New Permian Holdco, L.L.C.</b>										
Energy	First lien (3)(15)(18) - Undrawn	—	—	—	10/2020	12/2024	\$ 1,577	\$ —	\$ —	— %
<b>Haven Midstream Holdings LLC (21)</b>										
<b>Haven Midstream LLC</b>										
Specialty Chemicals & Materials	First lien (3)(15)(18) - Undrawn	—	—	—	12/2021	10/2026	8,000	—	—	— %
<b>Total Unfunded Debt Investments - United States</b>								<b>—</b>	<b>—</b>	<b>— %</b>
<b>Total Controlled Investments</b>								<b>\$ 650,474</b>	<b>\$ 690,035</b>	<b>52.03 %</b>
<b>Total Investments</b>								<b>\$ 3,259,967</b>	<b>\$ 3,221,247</b>	<b>242.89 %</b>

- (1) New Mountain Finance Corporation (the "Company") generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.
- (2) Investment is pledged as collateral for the Holdings Credit Facility, a revolving credit facility among the Company, as the Collateral Manager, New Mountain Finance Holdings, L.L.C. ("NMF Holdings") as the Borrower, Wells Fargo Securities, LLC, as the Administrative Agent and Wells Fargo Bank, National Association, as the Lender and Collateral Custodian. See Note 7. *Borrowings*, for details.
- (3) Investment is pledged as collateral for the NMFC Credit Facility, a revolving credit facility among the Company as the Borrower and Goldman Sachs Bank USA as the Administrative Agent and the Collateral Agent and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A., Stifel Bank & Trust and MUFG Union Bank, N.A. as Lenders. See Note 7. *Borrowings*, for details.

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)  
December 31, 2022  
(in thousands, except shares)

- (4) Investment is held in New Mountain Finance SBIC, L.P.
- (5) Investment is held in New Mountain Finance SBIC II, L.P.
- (6) Investment is held in NMF QID NGL Holdings, Inc.
- (7) Investment is held in New Mountain Net Lease Corporation.
- (8) Investment is pledged as collateral for the DB Credit Facility, a revolving credit facility among New Mountain Finance DB, L.L.C. as the Borrower and Deutsche Bank AG, New York Branch as the Facility Agent. See Note 6, *Drawings*, for details.
- (9) Investment is held in NMF Ancora Holdings, Inc.
- (10) Investment is held in NMF Permian Holdings, LLC
- (11) Investment is held in NMF HB, Inc
- (12) Investment is held in NMF OEC, Inc.
- (13) Investment is held in NMF Pioneer, Inc
- (14) Investment is held in NMF TRM, LLC.
- (15) The fair value of the Company's investment is determined using unobservable inputs that are significant to the overall fair value measurement. See Note 4, *Fair Value*, for details.
- (16) Investment is denominated in foreign currency and is translated into U.S. dollars as of the valuation date. As of December 31, 2022, the par value U.S. dollar equivalent of the first lien term loan and drawn first lien term loan are \$5,562 and \$13,941, respectively. See Note 2, *Summary of Significant Accounting Policies*, for details
- (17) Par amount is denominated in United States Dollar unless otherwise noted, British Pound ("£") and/or Euro ("€").
- (18) Par value amounts represent the drawn or undrawn (as indicated in type of investment) portion of revolving credit facilities or delayed draws. Cost amounts represent the cash received at settlement date net of the impact of paydowns and cash paid for drawn revolving or delayed draws.
- (19) 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 the London Interbank Offered Rate (L), the Prime Rate (P), the Sterling Overnight Interbank Average Rate (SONIA), Secured Overnight Financing Rate (SOFR), Euro Interbank Offered Rate (EURIBOR) and the alternative base rate (Base) and which resets daily (D), weekly (W), monthly (M), quarterly (Q), semi-annually (S) or annually (A). For each investment the current interest rate provided reflects the rate in effect as of December 31, 2022.
- (20) The Company holds investments in Education Management Corporation and one related entity of Education Management Corporation. The Company holds series A-1 convertible preferred stock and common stock in Education Management Corporation and holds tranche A first lien term loans and a tranche B first lien term loan in Education Management II LLC, which is an indirect subsidiary of Education Management Corporation.
- (21) The Company holds investments in multiple entities of Haven Midstream Holdings LLC. The Company holds 4.6% of the Class B profits interest in QID NGL, LLC (which at closing represented 7% of the ownership in the class B units in QID TRH Holdings, LLC), class A common units of Haven Midstream Holdings LLC, and holds a first lien revolver in Haven Midstream Holdings LLC.
- (22) The Company holds preferred equity in OEC Holdco, LLC, and two second lien term loans in OEConnection LLC, a wholly-owned subsidiary of OEC Holdco, LLC. The preferred equity is entitled to receive preferential dividends of 11.00% per annum.
- (23) The Company holds investments in two wholly-owned subsidiaries of Appriss Health Holdings, Inc. The company holds a first lien term loan and a first lien revolver in Appriss Health, LLC, and preferred equity in Appriss Health Intermediate Holdings, Inc. The preferred equity is entitled to receive preferential dividends at a rate of 11.00% per annum.
- (24) The Company holds ordinary shares in TVG-Edmentum Holdings, LLC, and subordinated notes in Edmentum Ultimate Holdings, LLC, a wholly-owned subsidiary of TVG-Edmentum Holdings, LLC. The ordinary shares are entitled to receive cumulative preferential dividends at a rate of 12.0% per annum.
- (25) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 8.5% per annum payable in additional shares.
- (26) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 9.0% per annum payable in additional shares.
- (27) The Company holds preferred equity in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 10.0% per annum payable in additional shares.
- (28) The Company holds ordinary shares and warrants in NHME Holdings Corp., as well as Tranche A Term Loan and Tranche B Term Loan in National HME, Inc., a wholly-owned subsidiary of NHME Holdings Corp.
- (29) The Company holds preferred equity in Bach Special Limited (Bach Preference Limited) that is entitled to receive cumulative preferential dividends at a rate of 12.5% per annum payable in additional shares.
- (30) The Company holds preferred equity in Dealer Tire Holdings, LLC that is entitled to receive cumulative preferential dividends at a rate of 10% per annum.
- (31) The Company holds preferred equity in Sympplr Software Intermediate Holdings, Inc. that is entitled to receive cumulative preferential dividends at a rate of 10.50% per annum.

The accompanying notes are an integral part of these consolidated financial statements.

New Mountain Finance Corporation

Consolidated Schedule of Investments (Continued)  
December 31, 2022  
(in thousands, except shares)

- (32) The Company holds ordinary shares in New Benevis Topco, LLC, and holds first lien last out term loans and subordinated notes in New Benevis Holdco Inc., a wholly-owned subsidiary of New Benevis Topco, LLC.
- (33) The Company holds ordinary shares in AAC Lender Holdings, LLC and a first lien term loan, first lien revolver and subordinated notes in American Achievement Corporation, a partially-owned subsidiary of AAC Lender Holdings, LLC.
- (34) The Company holds preferred equity in Project Essential Super Parent, LLC that is entitled to receive cumulative preferential dividends at a rate of 9.50% per annum.
- (35) The Company holds investments in two wholly-owned subsidiary of Diamond Parent Holdings Corp. The Company holds three first lien term loans and a first lien revolver in Diligent Corporation and preferred equity in Diligent Preferred Issuer Inc. The preferred equity in Diligent Preferred Issuer Inc. is entitled to receive cumulative preferential dividends at a rate 10.50% per annum.
- (36) The Company holds investments in ACI Parent Inc. and a wholly-owned subsidiary of ACI Parent Inc. The Company holds a first lien term loan, a first lien delayed draw and a first lien revolver in ACI Group Holdings, Inc. and preferred equity in ACI Parent Inc. The preferred equity in ACI Parent Inc. is entitled to receive cumulative preferential dividends at a rate of 11.75% per annum.
- (37) The Company holds preferred equity in HB Wealth Management, LLC that is entitled to receive cumulative preferential dividends at a rate of 10.00% per annum.
- (38) The Company holds ordinary shares in FS WhiteWater Holdings, LLC, and a first lien term loan, a first lien revolver, and two first lien delayed draws in FS WhiteWater Borrwer, LLC, a partially-owned subsidiary of FS WhiteWater Holdings, LLC.
- (39) The Company holds ordinary shares in Pioneer Topco I, L.P., and a first lien term loan and a first lien revolver in Pioneer Buyer I, LLC, a wholly-owned subsidiary of Pioneer Topco I, L.P.
- (40) The Company holds ordinary shares in OA Topco, L.P., and a first lien term loan and a first lien revolver in OA Buyer, Inc., a wholly-owned subsidiary of OA Topco, L.P.
- (41) The Company holds preferred equity in Knockout Intermediate Holdings I Inc. and a first lien term loan, a first lien revolver and a first lien delayed draw in Kaseya, Inc., a wholly-owned subsidiary of Knockout Intermediate Holdings I Inc. The preferred equity is entitled to receive cumulative preferential dividends at a rate of 11.75% per annum.
- (42) Investment or a portion of the investment is on non-accrual status. See Note 3 Investments, for details.
- (43) The Company holds one security purchased under a collateralized agreement to resell on its Consolidated Statement of Assets and Liabilities with a cost basis of \$6,000 and a fair value of \$6,539 as of December 31, 2022. See Note 2. Summary of Significant Accounting Policies, for details.
- (44) Denotes investments in which the Company is an "Affiliated Person", as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), due to owning or holding the power to vote 5.0% or more of the outstanding voting securities of the investment but not controlling the company. Fair value as of December 31, 2022 and December 31, 2021 along with transactions during the year ended December 31, 2022 in which the issuer was a non-controlled/affiliated investment is as follows:

Portfolio Company	Fair Value at December 31, 2021	Gross Additions (A)	Gross Redemptions (B)	Net Change In Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2022	Net Realized Gains (Losses)	Interest Income	Dividend Income	Other Income
Permian Holdco 3, Inc. / Permian Trust	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Sierra Hamilton Holdings Corporation	4,000	—	—	—	4,000	—	—	—	—
TVG-Edmentum Holdings, LLC / Edmentum Ultimate Holdings, LLC	130,775	5,168	—	(9,156)	126,787	—	2,105	4,109	250
<b>Total Non-Controlled/Affiliated Investments</b>	<b>\$ 134,775</b>	<b>\$ 5,168</b>	<b>\$ —</b>	<b>\$ (9,156)</b>	<b>\$ 130,787</b>	<b>\$ —</b>	<b>\$ 2,105</b>	<b>\$ 4,109</b>	<b>\$ 250</b>

- (A) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, payment-in-kind ("PIK") interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement at fair value of an existing portfolio company into this category from a different category.
- (B) Gross reductions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

(45) Denotes investments in which the Company is in "Control", as defined in the 1940 Act, due to owning or holding the power to vote more than 25.0% of the outstanding voting securities of the investment. Fair value as of December 31, 2022 and December 31, 2021 along with transactions during the year ended December 31, 2022 in which the issuer was a controlled investment, is as follows:

Portfolio Company	Fair Value at December 31, 2021	Gross Additions (A)	Gross Redemptions (B)	Net Change In Unrealized Appreciation (Depreciation)	Fair Value at December 31, 2022	Net Realized Gains (Losses)	Interest Income	Dividend Income	Other Income
Edmentum Inc.	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 54	\$ —	\$ —	\$ —
National HME, Inc./NHME Holdings Corp.	27,347	(8,161)	—	(13,805)	5,381	—	(9,661)	—	(1,500)
New Benevis Topco, LLC / New Benevis Holdco, Inc.	109,595	5,914	—	(1,363)	114,146	—	8,057	—	1,500
New Permian Holdco, Inc. / New Permian Holdco, L.L.C.	34,759	7,805	—	15,000	57,564	—	4,504	—	511
NM APP CANADA CORP	9,422	—	(7,345)	(2,077)	—	4,212	—	620	713
NM APP US LLC	14,891	—	(5,080)	(9,811)	—	4,489	—	255	483
NM CLFX LP	24,676	—	—	(8,504)	16,172	—	—	1,596	—
NM DRVT LLC	7,984	—	(5,152)	(2,832)	—	3,439	—	173	475
NM JRA LLC	3,996	—	(2,043)	(1,953)	—	2,049	—	72	188
NM GLCR LP	50,687	—	(14,750)	(35,937)	—	35,713	—	400	2,150
NM KRLN LLC	244	97	(9,319)	8,978	—	(9,318)	—	—	—
NM NL Holdings, L.P.	107,870	53	(10,885)	(2,733)	94,305	—	—	8,453	—
NM GP Holdco, LLC	1,197	1	(138)	(32)	1,028	—	—	94	—
NM YI LLC	8,286	—	—	1,195	9,481	—	—	828	—
NMFC Senior Loan Program III LLC	140,000	—	—	—	140,000	—	—	17,485	—
NMFC Senior Loan Program IV LLC	112,400	—	—	—	112,400	—	—	13,173	—
Haven Midstream LLC / Haven Midstream Holdings LLC / QID TRH Holdings LLC	34,821	3,865	(38,685)	35,787	35,788	12,802	6,316	—	1,902
UniTek Global Services, Inc.	67,635	13,378	(1,549)	24,306	103,770	—	4,738	4,363	724
<b>Total Controlled Investments</b>	<b>\$ 755,810</b>	<b>\$ 22,952</b>	<b>\$ (94,946)</b>	<b>\$ 6,219</b>	<b>\$ 690,035</b>	<b>\$ 53,440</b>	<b>\$ 13,954</b>	<b>\$ 47,512</b>	<b>\$ 7,146</b>

(A) Gross additions include increases in the cost basis of investments resulting from new portfolio investments, PIK interest or dividends, the amortization of discounts, reorganizations or restructurings and the movement of an existing portfolio company into this category from a different category.

(B) Gross redemptions include decreases in the cost basis of investments resulting from principal collections related to investment repayments or sales, reorganizations or restructurings and the movement of an existing portfolio company out of this category into a different category.

\* All or a portion of interest contains PIK interest.

\*\* Indicates assets that the Company deems to be "non-qualifying assets" under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70.0% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of December 31, 2022, 15.3% of the Company's total assets are represented by investments at fair value that are considered non-qualifying assets.

The accompanying notes are an integral part of these consolidated financial statements.

**New Mountain Finance Corporation**  
**Consolidated Schedule of Investments (Continued)**  
**December 31, 2022**  
**(in thousands, except shares)**

<u>Investment Type</u>	<b>December 31, 2022</b> <b>Percent of Total Investments at Fair Value</b>
First lien	54.45 %
Second lien	17.42 %
Subordinated	2.38 %
Equity and other	25.75 %
Total investments	<u>100.00 %</u>

<u>Industry Type</u>	<b>December 31, 2022</b> <b>Percent of Total</b> <b>Investments at Fair Value</b>
Software	27.85 %
Business Services	18.39 %
Healthcare	17.01 %
Investment Funds (includes investments in joint ventures)	7.84 %
Education	7.43 %
Consumer Services	3.85 %
Net Lease	3.76 %
Distribution & Logistics	3.18 %
Financial Services	2.98 %
Energy	1.91 %
Specialty Chemicals & Materials	1.87 %
Information Technology	1.81 %
Packaging	1.26 %
Consumer Products	0.64 %
Business Products	0.22 %
Total investments	<u>100.00 %</u>

<u>Interest Rate Type</u>	<b>December 31, 2022</b> <b>Percent of Total</b> <b>Investments at Fair Value</b>
Floating rates	88.53 %
Fixed rates	11.47 %
Total investments	<u>100.00 %</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Notes to the Consolidated Financial Statements of  
New Mountain Finance Corporation**

**March 31, 2023**  
**(in thousands, except share data)**  
(unaudited)

**Note 1. Formation and Business Purpose**

New Mountain Finance Corporation ("NMFC" or the "Company") is a Delaware corporation that was originally incorporated on June 29, 2010 and completed its initial public offering ("IPO") on May 19, 2011. NMFC is a closed-end, non-diversified management investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). NMFC has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). Since NMFC's IPO, and through March 31, 2023, NMFC raised approximately \$945,617 in net proceeds from additional offerings of its common stock.

New Mountain Finance Advisers BDC, L.L.C. (the "Investment Adviser") is a wholly-owned subsidiary of New Mountain Capital Group, L.P. (together with New Mountain Capital, L.L.C. and its affiliates, "New Mountain Capital") whose ultimate owners include Steven B. Klinsky, other current and former New Mountain Capital professionals and related vehicles and a minority investor. New Mountain Capital is a firm with a track record of investing in the middle market. New Mountain Capital focuses on investing in defensive growth companies across its private equity, credit and net lease investment strategies. The Investment Adviser manages the Company's day-to-day operations and provides it with investment advisory and management services. The Investment Adviser also manages other funds that may have investment mandates that are similar, in whole or in part, to the Company's. New Mountain Finance Administration, L.L.C. (the "Administrator"), a wholly-owned subsidiary of New Mountain Capital, provides the administrative services necessary to conduct the Company's day-to-day operations.

The Company has established the following wholly-owned direct and indirect subsidiaries:

- New Mountain Finance Holdings, L.L.C. ("NMF Holdings") and New Mountain Finance DB, L.L.C. ("NMFDB"), whose assets are used to secure NMF Holdings' credit facility and NMFDB's credit facility, respectively;
- New Mountain Finance SBIC, L.P. ("SBIC I") and New Mountain Finance SBIC II, L.P. ("SBIC II"), who have received licenses from the U.S. Small Business Administration ("SBA") to operate as small business investment companies ("SBICs") under Section 301(c) of the Small Business Investment Act of 1958, as amended (the "1958 Act"), and their general partners, New Mountain Finance SBIC G.P., L.L.C. ("SBIC I GP"), and New Mountain Finance SBIC II G.P., L.L.C. ("SBIC II GP"), respectively;
- NMF Ancora Holdings, Inc. ("NMF Ancora"), NMF QID NGL Holdings, Inc. ("NMF QID"), NMF YP Holdings, Inc. ("NMF YP"), NMF Permian Holdings, LLC ("NMF Permian"), NMF HB, Inc. ("NMF HB"), NMF TRM, LLC ("NMF TRM"), NMF Pioneer, Inc. ("NMF Pioneer") and NMF OEC, Inc. ("NMF OEC"), which serve as tax blocker corporations by holding equity or equity-like investments in portfolio companies organized as limited liability companies (or other forms of pass-through entities); the Company consolidates its tax blocker corporations for accounting purposes but the tax blocker corporations are not consolidated for U.S. federal income tax purposes and may incur U.S. federal income tax expense as a result of their ownership of the portfolio companies; and
- New Mountain Finance Servicing, L.L.C. ("NMF Servicing"), which serves as the administrative agent on certain investment transactions.

New Mountain Net Lease Corporation ("NMNLC") is a majority-owned consolidated subsidiary of the Company, which acquires commercial real estate properties that are subject to "triple net" leases and has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a real estate investment trust, or REIT, within the meaning of Section 856(a) of the Code.

The Company's investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, primarily consisting of senior secured loans, and select junior capital positions, to growing businesses in defensive industries that offer attractive risk-adjusted returns. The first lien debt may include traditional first lien senior secured loans or unitranche loans. The Company invests a significant portion of its portfolio in unitranche loans, which are loans that combine both senior and subordinated debt, generally in a first-lien position. Because unitranche loans combine characteristics of senior and subordinated debt, they have risks similar to the risks associated with secured debt and subordinated debt according to the combination of loan characteristics of the unitranche loan. Certain unitranche loan investments may include "last-out" positions, which generally heighten the risk of loss. Unitranche loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term and there is a

heightened risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity. In some cases, the Company's investments may also include equity interests. The Company's primary focus is 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) niche market dominance. Similar to the Company, SBIC I's and SBIC II's investment objectives are to generate current income and capital appreciation under the investment criteria used by the Company. However, SBIC I and SBIC II investments must be in SBA eligible small businesses. The Company's portfolio may be concentrated in a limited number of industries. As of March 31, 2023, the Company's top five industry concentrations were software, business services, healthcare, investment funds (which includes the Company's investments in its joint ventures) and education.

## Note 2. Summary of Significant Accounting Policies

**Basis of accounting**—The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). The Company is an investment company following accounting and reporting guidance in Accounting Standards Codification Topic 946, *Financial Services—Investment Companies* ("ASC 946"). The Company consolidates its wholly-owned direct and indirect subsidiaries: NMF Holdings, NMFDB, NMF Servicing, SBIC I, SBIC I GP, SBIC II, SBIC II GP, NMF Ancora, NMF QID, NMF YP, NMF Permian, NMF HB, NMF TRM, NMF Pioneer and NMF OEC and its majority-owned consolidated subsidiary: NMNLC. For majority-owned consolidated subsidiaries, the third-party equity interest is referred to as non-controlling interest. The net income attributable to non-controlling interests for such subsidiaries is presented as "Net increase (decrease) in net assets resulting from operations related to non-controlling interest" in the Company's Consolidated Statements of Operations. The portion of shareholders' equity that is attributable to non-controlling interests for such subsidiaries is presented as "Non-controlling interest", a component of total equity, on the Company's Consolidated Statements of Assets and Liabilities.

The Company's consolidated 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. The financial results of the Company's portfolio investments are not consolidated in the financial statements.

The Company's interim consolidated financial statements are prepared in accordance with GAAP and pursuant to the requirements for reporting on Form 10-Q and Article 6 or 10 of Regulation S-X. Accordingly, the Company's interim consolidated financial statements do not include all of the information and notes required by GAAP for annual financial statements. In the opinion of management, all adjustments, consisting solely of normal recurring accruals considered necessary for the fair presentation of financial statements for the interim period, have been included. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the fiscal year ending December 31, 2023.

**Investments**—The Company applies fair value accounting in accordance with GAAP. 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 Company's Consolidated Statements of Assets and Liabilities at fair value, with changes in unrealized gains and losses resulting from changes in fair value reflected in the Company's Consolidated Statements of Operations as "Net change in unrealized appreciation (depreciation) of investments" and realizations on portfolio investments reflected in the Company's Consolidated Statements of Operations as "Net realized gains (losses) on investments".

The Company values its assets on a quarterly basis, or more frequently if required under the 1940 Act. In all cases, the Company's board of directors is ultimately and solely responsible for determining the fair value of the portfolio investments on a quarterly basis in good faith, including investments that are not publicly traded, those whose market prices are not readily available and any other situation where its portfolio investments require a fair value determination. Security transactions are accounted for on a trade date basis. The Company's quarterly valuation procedures are set forth in more detail below:

- (1) Investments for which market quotations are readily available on an exchange are valued at such market quotations based on the closing price indicated from independent pricing services.
- (2) Investments for which indicative prices are obtained from various pricing services and/or brokers or dealers are valued through a multi-step valuation process, as described below, to determine whether the quote(s) obtained is representative of fair value in accordance with GAAP.
  - a. Bond quotes are obtained through independent pricing services. Internal reviews are performed by the investment professionals of the Investment Adviser to ensure that the quote obtained is representative of fair value in accordance with GAAP and, if so, the quote is used. If the Investment Adviser is unable to sufficiently validate the quote(s) internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below); and

- b. For investments other than bonds, the Company looks at the number of quotes readily available and performs the following procedures:
  - i. Investments for which two or more quotes are received from a pricing service are valued using the mean of the mean of the bid and ask of the quotes obtained. The Company will evaluate the reasonableness of the quote, and if the quote is determined to not be representative of fair value, the Company will use one or more of the methodologies outlined below to determine fair value; and
  - ii. Investments for which one quote is received from a pricing service are validated internally. The investment professionals of the Investment Adviser analyze the market quotes obtained using an array of valuation methods (further described below) to validate the fair value. If the Investment Adviser is unable to sufficiently validate the quote internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below).
- (3) Investments for which quotations are not readily available through exchanges, pricing services, brokers, or dealers are valued through a multi-step valuation process:
  - a. Each portfolio company or investment is initially valued by the investment professionals of the Investment Adviser responsible for the credit monitoring;
  - b. Preliminary valuation conclusions will then be documented and discussed with the Company's senior management;
  - c. If an investment falls into (3) above for four consecutive quarters and if the investment's par value or its fair value exceeds the materiality threshold, then at least once each fiscal year, the valuation for each portfolio investment for which the Company does not have a readily available market quotation will be reviewed by an independent valuation firm engaged by the Company's board of directors; and
  - d. When deemed appropriate by the Company's management, an independent valuation firm may be engaged to review and value investment(s) of a portfolio company, without any preliminary valuation being performed by the Investment Adviser. The investment professionals of the Investment Adviser will review and validate the value provided.

For investments in revolving credit facilities and delayed draw commitments, the cost basis of the funded investments purchased is offset by any costs/netbacks received for any unfunded portion on the total balance committed. The fair value is also adjusted for the price appreciation or depreciation on the unfunded portion. As a result, the purchase of a commitment not completely funded may result in a negative fair value until it is called and funded.

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. 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 Company's investments may fluctuate from period to period and the fluctuations could be material.

See Note 3. *Investments*, for further discussion relating to investments.

***New Mountain Net Lease Corporation***

NMNL was formed to acquire commercial real estate properties that are subject to "triple net" leases. NMNL's investments are disclosed on the Company's Consolidated Schedule of Investments as of March 31, 2023.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNL 105,030 shares of NMNL's common stock at a price of \$07.73 per share, which represented the net asset value per share of NMNL at the date of purchase, for an aggregate purchase price of approximately \$11,315. Immediately thereafter, NMNL redeemed 105,030 shares of its common stock held by NMFC in exchange for a promissory note with a principal amount of \$1,315 and a 7.0% interest rate, which was repaid by NMNL to NMFC on March 31, 2020.



Below is certain summarized property information for NMNLC as of March 31, 2023:

Portfolio Company	Tenant	Lease Expiration Date	Location	Total Square Feet	Fair Value as of March 31, 2023
NM NL Holdings LP / NM GP Holdco LLC	Various	Various	Various	Various	\$ 95,605
NM CLFX LP	Victor Equipment Company	8/31/2033	TX	423	15,437
NM YI, LLC	Young Innovations, Inc.	10/31/2039	IL / MO	212	9,581
					\$ 120,623

**Collateralized agreements or repurchase financings**—The Company follows the guidance in Accounting Standards Codification Topic 860, *Transfers and Servicing—Secured Borrowing and Collateral* (“ASC 860”), when accounting for transactions involving the purchases of securities under collateralized agreements to resell (resale agreements). These transactions are treated as collateralized financing transactions and are recorded at their contracted resale or repurchase amounts, as specified in the respective agreements. Interest on collateralized agreements is accrued and recognized over the life of the transaction and included in interest income. As of March 31, 2023 and December 31, 2022, the Company held one collateralized agreement to resell with a cost basis of \$30,000 and \$30,000, respectively, and a fair value of \$16,539 and \$16,539, respectively. The collateralized agreement to resell is on non-accrual. The collateralized agreement to resell is guaranteed by a private hedge fund, PPVA Fund, L.P. The private hedge fund is currently in liquidation under the laws of the Cayman Islands. Pursuant to the terms of the collateralized agreement, the private hedge fund was obligated to repurchase the collateral from the Company at the par value of the collateralized agreement. The private hedge fund has breached its agreement to repurchase the collateral under the collateralized agreement. The default by the private hedge fund did not release the collateral to the Company, and therefore, the Company does not have full rights and title to the collateral. A claim has been filed with the Cayman Islands joint official liquidators to resolve this matter. The joint official liquidators have recognized the Company’s contractual rights under the collateralized agreement. The Company continues to exercise its rights under the collateralized agreement and continues to monitor the liquidation process of the private hedge fund. The fair value of the collateralized agreement to resell is reflective of the increased risk of the position.

**Cash and cash equivalents**—Cash and cash equivalents include cash and short-term, highly liquid investments. The Company defines cash equivalents as securities that are readily convertible into known amounts of cash and so near maturity that there is insignificant risk of changes in value. These securities have original maturities of three months or less. The Company did not hold any cash equivalents as of March 31, 2023 and December 31, 2022.

#### **Revenue recognition**

**Sales and paydowns of investments:** Realized gains and losses on investments are determined on the specific identification method.

**Interest and dividend 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 Company has loans and certain preferred equity investments in the portfolio that contain a payment-in-kind (“PIK”) interest or dividend provision. PIK interest and dividends are accrued and recorded as income at the contractual rates, if deemed collectible. The PIK interest and dividends are added to the principal or share balances on the capitalization dates and are generally due at maturity or when redeemed by the issuer. For the three months ended March 31, 2023 and March 31, 2022, the Company recognized PIK and non-cash interest from investments of \$9,023 and \$8,523, respectively, and PIK and non-cash dividends from investments of \$6,501 and \$5,079, respectively.

Dividend income on common equity is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Dividend income on preferred securities is recorded as dividend income on an accrual basis to the extent that such amounts are deemed collectible.

**Non-accrual income:** Investments are placed on non-accrual status when principal or interest payments are past due for 30 days or more and when there is reasonable doubt that principal or interest will be collected. Accrued cash and un-capitalized PIK interest or dividends are reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest or dividends are not reversed when an investment is placed on non-accrual status. Interest or dividend payments received on non-accrual investments may be recognized as income or applied to principal depending upon management’s judgment of the ultimate collectibility. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management’s judgment, are likely to remain current.

**Other income:** Other income represents delayed compensation, consent or amendment fees, revolver fees, structuring fees, upfront fees and other miscellaneous fees received and are typically non-recurring in nature. Delayed compensation is

income earned from counterparties on trades that do not settle within a set number of business days after the trade date. Other income may also include fees from bridge loans. The Company 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. A fee is received by the Company for providing such commitments. Structuring fees and upfront fees are recognized as income when earned, usually when paid at the closing of the investment, and are non-refundable.

**Interest and other financing expenses**—Interest and other financing fees are recorded on an accrual basis by the Company. See Note 7. *Borrowings*, for details.

**Deferred financing costs**—The deferred financing costs of the Company consist of capitalized expenses related to the origination and amending of the Company's borrowings. The Company amortizes these costs into expense over the stated life of the related borrowing. See Note 7. *Borrowings*, for details.

**Deferred offering costs**—The Company's deferred offering costs consist of fees and expenses incurred in connection with equity offerings and the filing of shelf registration statements. Upon the issuance of shares, offering costs are charged as a direct reduction to net assets. Deferred offering costs are included in other assets on the Company's Consolidated Statements of Assets and Liabilities.

**Income taxes**—The Company has elected to be treated, and intends to comply with the requirements to qualify annually, as a RIC under Subchapter M of the Code. As a RIC, the Company is not subject to U.S. federal income tax on the portion of taxable income and gains timely distributed to its stockholders.

To continue to qualify and be subject to tax treatment as a RIC, the Company is required to meet certain income and asset diversification tests in addition to timely distributing at least 90.0% of its investment company taxable income, as defined by the Code. Since U.S. federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes.

Differences between taxable income and the results of operations for financial reporting purposes may be permanent or temporary in nature. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Differences in classification may also result from the treatment of short-term gains as ordinary income for U.S. federal income tax purposes.

For U.S. federal income tax purposes, distributions paid to stockholders of the Company are reported as ordinary income, return of capital, long term capital gains or a combination thereof.

The Company will be subject to a 4.0% nondeductible U.S. federal excise tax on certain undistributed income unless the Company distributes, in a timely manner as required by the Code, an amount at least equal to the sum of (1) 98.0% of its respective net ordinary income earned for the calendar year and (2) 98.2% of its respective capital gain net income for the one-year period ending October 31 in the calendar year.

Certain consolidated subsidiaries of the Company are subject to U.S. federal and state income taxes. These taxable entities are not consolidated for U.S. federal income tax purposes and may generate income tax liabilities or assets from permanent and temporary differences in the recognition of items for financial reporting and U.S. federal income tax purposes.

For the three months ended March 31, 2023 and March 31, 2022, the Company recognized a total income tax provision of approximately \$27 and \$97, respectively, for the Company's consolidated subsidiaries. For the three months ended March 31, 2023, the Company recorded a current income tax expense of approximately \$96 and \$95, respectively, and deferred income tax provision of approximately \$131 and \$2, respectively.

As of March 31, 2023 and December 31, 2022, the Company had \$2,988 and \$8,487, respectively, of deferred tax liabilities primarily relating to deferred taxes attributable to certain differences between the computation of income for U.S. federal income tax purposes as compared to GAAP.

Based on its analysis, the Company has determined that there were no uncertain income tax positions that do not meet the more likely than not threshold as defined by Accounting Standards Codification Topic 740, *Income Taxes* ("ASC 740") through December 31, 2022. The 2019 through 2022 tax years remain subject to examination by the U.S. federal, state, and local tax authorities.

**Distributions**—Distributions to common stockholders of the Company are recorded on the record date as set by the board of directors. The Company intends to make distributions to its stockholders that will be sufficient to enable the Company to maintain its status as a RIC. The Company intends to distribute approximately all of its net investment income (see Note 5. *Agreements*, for details) on a quarterly basis and substantially all of its taxable income on an annual basis, except that the Company may retain certain net capital gains for reinvestment.

The Company has adopted a dividend reinvestment plan that provides for reinvestment of any distributions declared on behalf of its stockholders, unless a stockholder elects to receive cash.

The Company applies the following in implementing the dividend reinvestment plan. If the price at which newly issued shares are to be credited to stockholders' accounts is equal to or greater than 110.0% of the last determined net asset value of the shares, the Company will use only newly issued shares to implement its dividend reinvestment plan. 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 the Company's common stock on the NASDAQ Global Select Market (the "NASDAQ") on the distribution payment date. Market price per share on that date will be the closing price for such shares on the NASDAQ or, if no sale is reported for such day, the average of their electronically reported bid and ask prices.

If the price at which newly issued shares are to be credited to stockholders' accounts is less than 10.0% of the last determined net asset value of the shares, the Company will either issue new shares or instruct the plan administrator to purchase shares in the open market to satisfy the additional shares required. 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 the Company'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 the Company's stockholders have been tabulated.

**Stock repurchase program**—On February 4, 2016, the Company's board of directors authorized a program for the purpose of repurchasing up to \$0,000 worth of the Company's common stock (the "Repurchase Program"). Under the Repurchase Program, the Company was permitted, but was not obligated, to repurchase its outstanding common stock in the open market from time to time provided that it complied with the Company's code of ethics and the guidelines specified in Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including certain price, market volume and timing constraints. In addition, any repurchases were conducted in accordance with the 1940 Act. On December 22, 2022, the Company's board of directors extended the Company's Repurchase Program and the Company expects the Repurchase Program to be in place until the earlier of December 31, 2023 or until \$50,000 of its outstanding shares of common stock have been repurchased. During the three months ended March 31, 2023 and March 31, 2022, the Company did not repurchase any shares of the Company's common stock. The Company previously repurchased \$2,948 outstanding shares of its common stock under the Repurchase Program.

**Earnings per share**—The Company's earnings per share ("EPS") amounts have been computed based on the weighted-average number of shares of common stock outstanding for the period. Basic EPS is computed by dividing net increase (decrease) in net assets resulting from operations by the weighted average number of shares of common stock outstanding during the period of computation. Diluted EPS is computed by dividing net increase (decrease) in net assets resulting from operations by the weighted average number of shares of common stock assuming all potential shares had been issued, and its related net impact to net assets accounted for, and the additional shares of common stock were dilutive. Diluted EPS reflects the potential dilution, using the as-if-converted method for convertible debt, which could occur if all potentially dilutive securities were exercised.

**Foreign securities**—The accounting records of the Company 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 Company isolates 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 appreciation (depreciation)" and "Net realized gains (losses)" in the Company's Consolidated Statements of Operations.

Investments denominated in foreign currencies may be negatively affected by movements in the rate of exchange between the U.S. dollar and such foreign currencies. This movement is beyond the control of the Company and cannot be predicted.

**Use of estimates**—The preparation of the Company's consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Company's consolidated 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.

**Note 3. Investments**

At March 31, 2023, the Company's investments consisted of the following:

**Investment Cost and Fair Value by Type**

	<b>Cost</b>	<b>Fair Value</b>
First lien	\$ 1,862,802	\$ 1,798,746
Second lien	616,660	562,413
Subordinated	87,726	78,282
Equity and other	735,426	830,885
Total investments	<u>\$ 3,302,614</u>	<u>\$ 3,270,326</u>

**Investment Cost and Fair Value by Industry**

	<b>Cost</b>	<b>Fair Value</b>
Software	\$ 951,994	\$ 933,923
Business Services	639,640	577,406
Healthcare	582,366	558,625
Investment Funds (includes investments in joint ventures)	252,400	252,400
Education	202,706	243,339
Consumer Services	152,247	150,766
Net Lease	96,041	120,623
Distribution & Logistics	111,266	103,157
Financial Services	98,346	99,197
Energy	56,820	62,876
Information Technology	58,654	58,865
Specialty Chemicals & Materials	25,354	40,795
Packaging	43,177	40,731
Consumer Products	20,833	19,976
Business Products	10,770	7,647
Total investments	<u>\$ 3,302,614</u>	<u>\$ 3,270,326</u>

At December 31, 2022, the Company's investments consisted of the following:

**Investment Cost and Fair Value by Type**

	Cost	Fair Value
First lien	\$ 1,816,091	\$ 1,753,967
Second lien	632,990	561,207
Subordinated	85,774	76,659
Equity and other	725,112	829,414
Total investments	<u>\$ 3,259,967</u>	<u>\$ 3,221,247</u>

**Investment Cost and Fair Value by Industry**

	Cost	Fair Value
Software	\$ 916,259	\$ 897,008
Business Services	661,079	592,868
Healthcare	586,311	548,383
Investment Funds (includes investments in joint ventures)	252,400	252,400
Education	200,117	239,301
Consumer Services	126,392	123,880
Net Lease	96,041	120,986
Distribution & Logistics	111,096	102,410
Financial Services	96,021	95,839
Energy	55,507	61,564
Specialty Chemicals & Materials	25,363	60,268
Information Technology	58,638	58,165
Packaging	43,124	40,547
Consumer Products	20,850	20,624
Business Products	10,769	7,004
Total investments	<u>\$ 3,259,967</u>	<u>\$ 3,221,247</u>

During the first quarter of 2023, the Company placed its second lien term loan position in ADG, LLC ("ADG") on non-accrual status. As of March 31, 2023, the Company's position in ADG on non-accrual status had an aggregate cost basis of \$7,413, an aggregate fair value of \$2,667 and total unearned interest income of \$275 for the three months then ended.

During the third quarter of 2022, the Company placed its first lien term loan and first lien delayed draw term loan positions in Ansira Holdings, Inc. ("Ansira") on non-accrual status. As of March 31, 2023, the Company's positions in Ansira on non-accrual status had an aggregate cost basis of \$41,295, an aggregate fair value of \$9,211 and total unearned interest income of \$2,495 for the three months then ended.

As of March 31, 2023, the Company's aggregate principal amount of its second lien term loan in Integro Parent Inc. ("Integro") was \$2,000. During the second quarter of 2022, the Company placed an aggregate principal amount of \$4,200 of its second lien position on non-accrual status. As of March 31, 2023, the Company's position in Integro on non-accrual status had an aggregate cost basis of \$4,002, an aggregate fair value of \$3,346 and total unearned interest income of \$170 for the three months then ended.

During the second quarter of 2022, the Company placed its second lien positions in National HME, Inc. ("National HME") on non-accrual status. As of March 31, 2023, the Company's second lien position in National HME had an aggregate cost basis of \$7,872, an aggregate fair value of \$5,000 and total unearned interest income of \$413 for the three months then ended. During the fourth quarter of 2022, the Company reversed \$1,236 of previously recorded PIK interest in National HME and \$1,500 of previously recorded other income in NHME Holdings Corp. as the Company believes this PIK interest and other income will ultimately not be collectible.

As of March 31, 2023, the Company's aggregate principal amount of its subordinated position and first lien term loans in American Achievement Corporation ("AAC") was \$5,230 and \$30,778, respectively. During the first quarter of 2021, the Company placed an aggregate principal amount of \$5,230 of its subordinated position on non-accrual status. During the third quarter of 2021, the Company placed an aggregate principal amount of \$13,227 of its first lien term loans on non-accrual status. As of March 31, 2023, the Company's positions in AAC on non-accrual status had an aggregate cost basis of \$13,212, an aggregate fair value of \$8,739 and total unearned interest income of \$514 for the three months then ended.

During the third quarter of 2021, the Company placed its second lien position in Sierra Hamilton Holdings Corporation ("Sierra") on non-accrual status. As of March 31, 2023, the Company's second lien position in Sierra had an aggregate cost basis of \$5, an aggregate fair value of \$0 and total unearned interest income of \$0 for the three months then ended.

During the first quarter of 2020, the Company placed its junior preferred shares in UniTek Global Services, Inc. ("UniTek") on non-accrual status. As of March 31, 2023, the Company's junior preferred shares in UniTek had an aggregate cost basis of \$34,393, an aggregate fair value of \$0 and total unearned dividend income of \$1,820, for the three months then ended. During the third quarter of 2021, the Company placed an aggregate principal amount of \$19,795 of its investment in the senior preferred shares of UniTek on non-accrual status. As of March 31, 2023, the Company's senior preferred shares in UniTek had an aggregate cost basis of \$19,795, an aggregate fair value of approximately \$10,145 and total unearned dividend income of approximately \$1,305 for the three months then ended.

During the first quarter of 2018, the Company placed its first lien positions in Education Management II LLC ("EDMC") on non-accrual status as EDMC announced its intention to wind down and liquidate the business. As of March 31, 2023, the Company's investment in EDMC, which was placed on non-accrual status, represented an aggregate cost basis of \$953, an aggregate fair value of \$0 and total unearned interest income of \$14 for the three months then ended.

As of March 31, 2023, the Company had unfunded commitments on revolving credit facilities and bridge facilities of \$107,125 and \$0, respectively. As of March 31, 2023, the Company had unfunded commitments in the form of delayed draws or other future funding commitments of \$109,064. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedule of Investments as of March 31, 2023.

As of December 31, 2022, the Company had unfunded commitments on revolving credit facilities and bridge facilities of \$100,315 and \$0, respectively. As of December 31, 2022, the Company had unfunded commitments in the form of delayed draws or other future funding commitments of \$123,748. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedule of Investments as of December 31, 2022.

#### ***PPVA Black Elk (Equity) LLC***

On May 3, 2013, the Company entered into a collateralized securities purchase and put agreement (the "SPP Agreement") with a private hedge fund. Under the SPP Agreement, the Company purchased twenty million Class E Preferred Units of Black Elk Energy Offshore Operations, LLC ("Black Elk") for \$20,000 with a corresponding obligation of the private hedge fund, PPVA Black Elk (Equity) LLC, to repurchase the preferred units for \$20,000 plus other amounts due under the SPP Agreement. The majority owner of Black Elk was the private hedge fund. In August 2014, the Company received a payment of \$20,540, the full amount due under the SPP Agreement.

In August 2017, a trustee (the "Trustee") for Black Elk informed the Company that the Trustee intended to assert a fraudulent conveyance claim (the "Claim") against the Company and one of its affiliates seeking the return of the \$20,540 repayment. Black Elk filed a Chapter 11 bankruptcy petition pursuant to the U.S. Bankruptcy Code in August 2015. The Trustee alleged that individuals affiliated with the private hedge fund conspired with Black Elk and others to improperly use proceeds from the sale of certain Black Elk assets to repay, in August 2014, the private hedge fund's obligation to the Company under the SPP Agreement. The Company was unaware of these claims at the time the repayment was received. The private hedge fund is currently in liquidation under the laws of the Cayman Islands.

On December 22, 2017, the Company settled the Trustee's \$20,540 Claim for \$16,000 and filed a claim with the Cayman Islands joint official liquidators of the private hedge fund for \$16,000 that is owed to the Company under the SPP Agreement. The SPP Agreement was restored and is in effect since repayment has not been made. The Company continues to exercise its rights under the SPP Agreement and continues to monitor the liquidation process of the private hedge fund. During the year ended December 31, 2018, the Company received a \$1,500 payment from its insurance carrier in respect to the settlement. As of March 31, 2023 and December 31, 2022, the SPP Agreement has a cost basis of \$14,500 and \$14,500, respectively and a fair value of \$7,995 and \$7,995, respectively, which is reflective of the higher inherent risk in this transaction.

#### ***NMFC Senior Loan Program III LLC***

NMFC Senior Loan Program III LLC ("SLP III") was formed as a Delaware limited liability company and commenced operations on April 25, 2018. SLP III is structured as a private joint venture investment fund between the Company and

SkyKnight Income II, LLC ("SkyKnight II") and operates under a limited liability company agreement (the "SLP III Agreement"). The purpose of the joint venture is to invest primarily in senior secured loans issued by portfolio companies within the Company's core industry verticals. These investments are typically broadly syndicated first lien loans. All investment decisions must be unanimously approved by the board of managers of SLP III, which has equal representation from the Company and SkyKnight II. SLP III has a five year investment period and will continue in existence until April 25, 2025. The investment period may be extended for up to one year pursuant to certain terms of the SLP III Agreement.

SLP III is capitalized with equity contributions which are called from its members, on a pro-rata basis based on their equity commitments, as transactions are completed. Any decision by SLP III to call down on capital commitments requires approval by the board of managers of SLP III. As of March 31, 2023, the Company and SkyKnight II have committed and contributed \$140,000 and \$35,000, respectively, of equity to SLP III. The Company's investment in SLP III is disclosed on the Company's Consolidated Schedule of Investments as of March 31, 2023 and December 31, 2022.

On May 2, 2018, SLP III entered into its revolving credit facility with Citibank, N.A., which matures on January 8, 2026. Effective July 8, 2021, the reinvestment period was extended to July 8, 2024. As of the most recent amendment on July 8, 2021, during the reinvestment period the credit facility bears interest at a rate of the London Interbank Offered Rate ("LIBOR") plus 1.60% and after the reinvestment period it will bear interest at a rate of LIBOR plus 1.90%. Effective November 23, 2020, SLP III's revolving credit facility has a maximum borrowing capacity of \$525,000. As of March 31, 2023 and December 31, 2022, SLP III had total investments with an aggregate fair value of approximately \$651,129 and \$639,327, respectively, and debt outstanding under its credit facility of \$498,000 and \$512,100, respectively. As of March 31, 2023 and December 31, 2022, none of SLP III's investments were on non-accrual. Additionally, as of March 31, 2023 and December 31, 2022, SLP III had unfunded commitments in the form of delayed draws of \$2,016 and \$2,948, respectively.

Below is a summary of SLP III's portfolio, along with a listing of the individual investments in SLP III's portfolio as of March 31, 2023 and December 31, 2022:

	<b>March 31, 2023</b>		<b>December 31, 2022</b>	
First lien investments (1)	\$	694,046	\$	690,017
Weighted average interest rate on first lien investments (2)		9.09 %		8.51 %
Number of portfolio companies in SLP III		86		83
Largest portfolio company investment (1)	\$	18,149	\$	18,197
Total of five largest portfolio company investments (1)	\$	85,727	\$	85,948

(1) Reflects principal amount or par value of investment.

(2) Computed as the all in interest rate in effect on accruing investments divided by the total principal amount of investments.

The following table is a listing of the individual investments in SLP III's portfolio as of March 31, 2023:

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
<b>Funded Investments - First lien</b>								
ADMI Corp. (aka Aspen Dental)	Healthcare	L(M)	3.75%	8.59%	12/2027	\$ 2,394	\$ 2,385	\$ 2,228
Advisor Group Holdings, Inc.	Financial Services	L(M)	4.50%	9.34%	07/2026	9,675	9,649	9,551
AG Parent Holdings, LLC	Healthcare	L(M)	5.00%	9.84%	07/2026	12,094	12,062	11,747
Artera Services, LLC	Distribution & Logistics	L(Q)	3.50%	8.66%	03/2025	6,821	6,792	5,809
Aretec Group, Inc. (fka RCS Capital Corporation)	Financial Services	SOFR(Q)	4.50%	9.41%	03/2030	4,936	4,838	4,838
AssuredPartners, Inc.	Insurance Services	SOFR(M)	4.25%	9.06%	02/2027	1,990	1,925	1,988
Aston FinCo S.a.r.l. / Aston US Finco, LLC	Software	L(M)	4.25%	9.09%	10/2026	5,820	5,788	5,005
athenahealth Group Inc.	Healthcare	SOFR(M)	3.50%	8.26%	02/2029	6,895	6,636	6,429
BCPE Empire Holdings, Inc.	Distribution & Logistics	L(M)	4.00%	8.84%	06/2026	4,247	4,226	4,177
BCPE Empire Holdings, Inc.	Distribution & Logistics	SOFR(M)	4.63%	9.53%	06/2026	3,249	3,154	3,219
Bella Holding Company, LLC	Healthcare	SOFR(M)	3.75%	8.66%	05/2028	2,232	2,215	2,162
Bluefin Holding, LLC	Software	L(Q)	5.75%	10.91%	09/2026	9,675	9,597	9,503
Bluefin Holding, LLC	Software	L(Q)	5.75%	10.91%	09/2026	2,556	2,526	2,511
Bracket Intermediate Holding Corp.	Healthcare	L(Q)	4.25%	9.04%	09/2025	14,325	14,297	14,137
Brave Parent Holdings, Inc.	Software	L(M)	4.00%	8.84%	04/2025	4,254	4,249	4,173
Brown Group Holding, LLC	Distribution & Logistics	SOFR(Q)	3.75%	8.46%	07/2029	7,027	6,863	7,040
Cardinal Parent, Inc.	Software	L(Q)	4.50%	9.66%	11/2027	9,897	9,693	9,228
CE Intermediate I, LLC	Software	L(Q)	4.00%	8.86%	11/2028	10,893	10,829	10,430
CentralSquare Technologies, LLC	Software	L(Q)	3.75%	8.91%	08/2025	14,362	14,349	12,668
CHA Holdings, Inc.	Business Services	L(Q)	4.50%	9.66%	04/2025	954	954	954
CommerceHub, Inc.	Software	SOFR(S)	4.00%	8.78%	12/2027	5,702	5,681	5,341
Confluent Health, LLC	Healthcare	L(M)	4.00%	8.84%	11/2028	14,562	14,498	11,904
Confluent Medical Technologies, Inc.	Healthcare	SOFR(Q)	3.75%	8.65%	02/2029	6,930	6,900	6,722
Convey Health Solutions, Inc.	Healthcare	SOFR(Q)	5.25%	10.25%	09/2026	12,935	12,588	12,935
Cornerstone OnDemand, Inc.	Software	L(M)	3.75%	8.59%	10/2028	4,500	4,481	4,168
Covenant Surgical Partners, Inc.	Healthcare	SOFR(S)	4.00%	8.82%	07/2026	2,000	1,986	1,698
Covenant Surgical Partners, Inc.	Healthcare	SOFR(S)	4.00%	8.82%	07/2026	9,656	9,607	8,195
CRCI Longhorn Holdings, Inc.	Business Services	L(M)	3.50%	8.31%	08/2025	14,325	14,298	14,030
CVET Midco 2, L.P.	Software	SOFR(Q)	5.00%	9.90%	10/2029	6,965	6,566	6,547
DG Investment Intermediate Holdings 2, Inc.	Business Services	SOFR(M)	3.75%	8.56%	03/2028	7,369	7,346	7,185
Dealer Tire Financial, LLC	Distribution & Logistics	SOFR(M)	4.50%	9.31%	12/2027	9,701	9,688	9,655
Discovery Purchaser Corporation	Specialty Chemicals & Materials	SOFR(Q)	4.38%	8.96%	10/2029	7,082	6,542	6,707
Dispatch Acquisition Holdings, LLC	Industrial Services	SOFR(Q)	4.25%	9.30%	03/2028	15,567	15,173	14,107
Enverus Holdings, Inc. (fka Drilling Info Holdings, Inc.)	Business Services	L(M)	4.25%	9.09%	07/2025	18,149	18,115	17,423
Eisner Advisory Group LLC	Financial Services	SOFR(M)	5.25%	10.17%	07/2028	2,207	2,120	2,209
EAB Global, Inc.	Education	L(M)	3.50%	8.34%	08/2028	3,204	3,191	3,133
Energize Holdco LLC	Business Services	L(M)	3.75%	8.59%	12/2028	12,456	12,404	12,114
eResearchTechnology, Inc.	Healthcare	L(M)	4.50%	9.34%	02/2027	7,252	7,230	6,841
EyeCare Partners, LLC	Healthcare	L(M)	3.75%	8.59%	02/2027	14,573	14,562	12,050
Foundational Education Group, Inc.	Education	SOFR(Q)	3.75%	8.91%	08/2028	9,674	9,569	9,132
Greenway Health, LLC (fka Vitera Healthcare Solutions, LLC)	Healthcare	L(S)	3.75%	8.96%	02/2024	14,181	14,183	10,494
Groundworks, LLC	Consumer Services	SOFR(M)	6.50%	11.36%	03/2030	1,272	1,234	1,234
Heartland Dental, LLC	Healthcare	L(M)	3.75%	8.59%	04/2025	18,113	18,082	16,973
HelpSystems Holdings, Inc.	Software	SOFR(Q)	4.00%	8.78%	11/2026	18,022	17,914	16,125
Higginbotham Insurance Agency, Inc.	Business Services	L(M)	5.25%	10.09%	11/2026	9,056	8,999	9,002



[Table of Contents](#)

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
HighTower Holding, LLC	Financial Services	L(Q)	4.00%	8.82%	04/2028	\$ 4,766	\$ 4,729	\$ 4,516
Houghton Mifflin Harcourt Company	Education	SOFR(M)	5.25%	10.16%	04/2029	6,706	6,470	6,029
Idera, Inc.	Software	L(Q)	3.75%	8.51%	03/2028	15,763	15,752	15,073
Kestra Advisor Services Holdings A, Inc.	Financial Services	SOFR(Q)	4.25%	9.25%	06/2026	11,904	11,861	11,695
LI Group Holdings, Inc.	Software	L(M)	3.75%	8.59%	03/2028	4,562	4,553	4,545
LSCS Holdings, Inc.	Healthcare	L(M)	4.50%	9.34%	12/2028	7,548	7,516	7,246
Mamba Purchaser, Inc.	Healthcare	L(M)	3.50%	8.34%	10/2028	1,601	1,597	1,583
Maverick Bidco Inc.	Software	L(Q)	3.75%	8.58%	05/2028	3,950	3,935	3,769
Maverick Bidco Inc.	Software	SOFR(M)	4.25%	9.17%	05/2028	2,500	2,375	2,375
Maverick Bidco Inc.	Software	SOFR(Q)	5.00%	9.79%	05/2028	2,000	1,908	1,908
Mavis Tire Express Services Topco Corp.	Retail	SOFR(M)	4.00%	8.92%	05/2028	4,163	4,147	4,092
MED ParentCo, LP	Healthcare	L(M)	4.25%	9.09%	08/2026	12,556	12,492	11,049
Mercury Borrower, Inc.	Business Services	L(M)	3.50%	8.38%	08/2028	4,168	4,150	4,059
MH Sub I, LLC (Micro Holding Corp.)	Software	L(M)	3.75%	8.59%	09/2024	10,667	10,652	10,513
Mitnick Corporate Purchaser, Inc.	Software	SOFR(Q)	4.75%	9.53%	05/2029	4,643	4,622	4,385
National Intergovernmental Purchasing Alliance Company	Business Services	SOFR(Q)	3.50%	8.40%	05/2025	2,420	2,407	2,394
Netsmart, Inc.	Healthcare	L(M)	4.00%	8.84%	10/2027	3,930	3,930	3,887
Nielsen Consumer Inc.	Business Services	SOFR(M)	6.25%	11.06%	03/2028	4,897	4,359	4,322
Nielsen Consumer Inc.	Business Services	SOFR(M)	6.25%	11.06%	03/2028	10,103	8,992	8,916
Outcomes Group Holdings, Inc.	Healthcare	L(M)	3.25%	8.09%	10/2025	3,322	3,319	3,241
Pearls (Netherlands) Bidco B.V.	Specialty Chemicals & Materials	SOFR(Q)	3.75%	8.43%	02/2029	1,723	1,719	1,693
Peraton Corp.	Federal Services	L(M)	3.75%	8.59%	02/2028	7,216	7,189	7,131
PetVet Care Centers, LLC (fka Pearl Intermediate Parent LLC)	Consumer Services	L(M)	3.50%	8.34%	02/2025	4,561	4,559	4,432
Physician Partners, LLC	Healthcare	SOFR(Q)	4.00%	9.05%	12/2028	4,263	4,226	4,014
Planview Parent, Inc.	Software	L(Q)	4.00%	9.16%	12/2027	10,804	10,580	10,273
Premise Health Holding Corp.	Healthcare	L(Q)	3.75%	8.91%	07/2025	7,386	7,372	7,091
Project Ruby Ultimate Parent Corp.	Healthcare	L(M)	3.25%	8.09%	03/2028	4,341	4,324	4,196
Project Ruby Ultimate Parent Corp.	Healthcare	SOFR(M)	5.75%	10.56%	03/2028	4,975	4,837	5,058
ReallPage, Inc.	Software	L(M)	3.00%	7.84%	04/2028	10,134	10,115	9,852
Renaissance Holding Corp.	Education	SOFR(M)	4.75%	9.58%	04/2030	6,629	6,430	6,442
RLG Holdings, LLC	Packaging	L(M)	4.00%	8.84%	07/2028	5,771	5,748	5,597
Sierra Enterprises, LLC	Food & Beverage	SOFR(Q)	6.75%	11.43%	05/2027	2,424	2,423	1,687
Snap One Holdings Corp.	Distribution & Logistics	L(Q)	4.50%	9.66%	12/2028	6,606	6,550	6,077
Sovos Brands Intermediate, Inc.	Food & Beverage	L(Q)	3.50%	8.33%	06/2028	7,365	7,350	7,243
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	SOFR(Q)	4.00%	8.90%	07/2025	11,902	11,891	11,837
Storable, Inc.	Software	SOFR(M)	3.50%	8.30%	04/2028	3,814	3,807	3,693
Symplr Software, Inc.	Healthcare	SOFR(Q)	4.50%	9.28%	12/2027	15,680	15,575	14,034
Syndigo LLC	Software	L(M)	4.50%	9.28%	12/2027	14,700	14,621	13,902
Therapy Brands Holdings LLC	Software	L(M)	4.00%	8.78%	05/2028	4,089	4,072	3,843
Thermostat Purchaser III, Inc.	Business Services	L(Q)	4.50%	9.45%	08/2028	5,988	5,963	5,748
USI, Inc. (fka Compass Investors Inc.)	Insurance Services	SOFR(Q)	3.75%	8.65%	11/2029	5,473	5,367	5,466
Valcour Packaging, LLC	Packaging	L(S)	3.75%	7.98%	10/2028	4,493	4,481	3,737
VT Topco, Inc.	Business Services	L(M)	3.75%	8.59%	08/2025	25	25	24
VT Topco, Inc.	Business Services	L(M)	3.50%	8.34%	08/2025	2,722	2,722	2,691
VT Topco, Inc.	Business Services	L(M)	3.75%	8.59%	08/2025	866	864	857
WatchGuard Technologies, Inc.	Software	SOFR(S)	5.25%	10.11%	07/2029	5,277	4,953	5,013
Waystar Technologies, Inc.	Healthcare	L(M)	4.00%	8.84%	10/2026	4,014	4,008	4,003
Wrench Group LLC	Consumer Services	L(Q)	4.00%	9.16%	04/2026	7,803	7,790	7,677
Wrench Group LLC	Consumer Services	SOFR(Q)	4.75%	9.54%	04/2026	5,500	5,390	5,473

[Table of Contents](#)

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
YI, LLC	Healthcare	L(M)	4.00%	8.84%	11/2024	\$ 9,465	\$ 9,462	\$ 9,149
Zest Acquisition Corp.	Healthcare	SOFR(M)	5.50%	10.22%	02/2028	4,103	3,935	3,975
<b>Total Funded Investments</b>						<b>\$ 692,030</b>	<b>\$ 684,098</b>	<b>\$ 651,226</b>
<b>Unfunded Investments - First lien</b>								
athenahealth Group Inc.	Healthcare	—	—	—	01/2024	\$ 847	\$ (44)	\$ (57)
Groundworks, LLC	Consumer Services	—	—	—	03/2025	232	(3)	(3)
Thermostat Purchaser III, Inc.	Business Services	—	—	—	08/2023	937	—	(37)
VT Topco, Inc.	Business Services	—	—	—	08/2023	—	—	—
<b>Total Unfunded Investments</b>						<b>\$ 2,016</b>	<b>\$ (47)</b>	<b>\$ (97)</b>
<b>Total Investments</b>						<b>\$ 694,046</b>	<b>\$ 684,051</b>	<b>\$ 651,129</b>

- (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 the LIBOR (L), the Prime Rate (P), Secured Overnight Financing Rate (SOFR), and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of March 31, 2023.
- (2) Represents the fair value in accordance with Accounting Standards Codification Topic 820, *Fair Value Measurement and Disclosures* ("ASC 820"). The Company's board of directors does not determine the fair value of the investments held by SLP III.

The following table is a listing of the individual investments in SLP III's portfolio as of December 31, 2022:

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
<b>Funded Investments - First lien</b>								
ADMI Corp. (aka Aspen Dental)	Healthcare	L(M)	3.75%	8.13%	12/2027	\$ 2,400	\$ 2,391	\$ 2,194
Advisor Group Holdings, Inc.	Financial Services	L(M)	4.50%	8.88%	07/2026	9,700	9,672	9,512
AG Parent Holdings, LLC	Healthcare	L(M)	5.00%	9.38%	07/2026	12,125	12,092	11,769
Artera Services, LLC	Distribution & Logistics	L(Q)	3.50%	8.23%	03/2025	6,838	6,806	5,624
AssuredPartners, Inc.	Insurance Services	SOFR(M)	4.25%	8.57%	02/2027	1,995	1,926	1,985
Aston FinCo S.a.r.l. / Aston US Finco, LLC	Software	L(M)	4.25%	8.63%	10/2026	5,835	5,801	4,989
athenahealth Group Inc.	Healthcare	SOFR(M)	3.50%	7.82%	02/2029	6,912	6,644	6,258
BCPE Empire Holdings, Inc.	Distribution & Logistics	L(M)	4.00%	8.38%	06/2026	4,258	4,235	4,141
BCPE Empire Holdings, Inc.	Distribution & Logistics	SOFR(M)	4.63%	9.05%	06/2026	3,257	3,156	3,205
Bella Holding Company, LLC	Healthcare	L(M)	3.75%	8.13%	05/2028	2,238	2,220	2,123
Bluefin Holding, LLC	Software	L(Q)	5.75%	10.48%	09/2026	9,700	9,617	9,418
Bluefin Holding, LLC	Software	L(Q)	5.75%	10.48%	09/2026	2,562	2,530	2,488
Bracket Intermediate Holding Corp.	Healthcare	L(Q)	4.25%	7.99%	09/2025	14,362	14,333	13,689
Brave Parent Holdings, Inc.	Software	L(M)	4.00%	8.38%	04/2025	4,266	4,260	4,145
Brown Group Holding, LLC	Distribution & Logistics	SOFR(Q)	3.75%	7.91%	07/2029	7,045	6,875	7,033
Cano Health, LLC	Healthcare	SOFR(M)	4.00%	8.42%	11/2027	9,508	9,476	7,642
Cardinal Parent, Inc.	Software	L(Q)	4.50%	9.23%	11/2027	9,922	9,709	9,522
CE Intermediate I, LLC	Software	L(Q)	4.00%	8.59%	11/2028	10,920	10,854	10,388
CentralSquare Technologies, LLC	Software	L(Q)	3.75%	8.48%	08/2025	14,400	14,385	12,488
CHA Holdings, Inc.	Business Services	L(Q)	4.50%	9.23%	04/2025	957	957	945
CommerceHub, Inc.	Software	SOFR(S)	4.00%	8.78%	12/2027	5,717	5,695	5,274
Confluent Health, LLC	Healthcare	L(M)	4.00%	8.38%	11/2028	11,962	11,909	10,212
Confluent Health, LLC	Healthcare	L(M)	4.00%	8.38%	11/2028	1,499	1,492	1,280
Confluent Medical Technologies, Inc.	Healthcare	SOFR(Q)	3.75%	8.33%	02/2029	6,947	6,916	6,617
Convey Health Solutions, Inc.	Healthcare	SOFR(Q)	5.25%	9.93%	09/2026	12,967	12,598	12,578
Cornerstone OnDemand, Inc.	Software	L(M)	3.75%	8.13%	10/2028	4,511	4,492	4,049
Covenant Surgical Partners, Inc.	Healthcare	L(Q)	4.00%	8.41%	07/2026	2,000	1,984	1,710
Covenant Surgical Partners, Inc.	Healthcare	L(Q)	4.00%	8.41%	07/2026	9,680	9,628	8,276
CRCI Longhorn Holdings, Inc.	Business Services	L(M)	3.50%	7.77%	08/2025	14,363	14,333	13,597
CVET Midco 2, L.P.	Software	SOFR(Q)	5.00%	9.58%	10/2029	6,965	6,556	6,539
DG Investment Intermediate Holdings 2, Inc.	Business Services	SOFR(M)	3.75%	8.13%	03/2028	7,388	7,364	7,088
Dealer Tire Financial, LLC	Distribution & Logistics	SOFR(M)	4.50%	8.82%	12/2027	9,725	9,690	9,628
Discovery Purchaser Corporation	Specialty Chemicals & Materials	SOFR(Q)	4.38%	7.97%	10/2029	7,100	6,543	6,499
Dispatch Acquisition Holdings, LLC	Industrial Services	L(Q)	4.25%	8.98%	03/2028	15,606	15,196	13,265
Drilling Info Holdings, Inc.	Business Services	L(M)	4.25%	8.63%	07/2025	18,197	18,159	17,560
EAB Global, Inc.	Education	L(M)	3.50%	7.88%	08/2028	3,212	3,199	3,098
Energize Holdco LLC	Business Services	L(M)	3.75%	8.13%	12/2028	12,488	12,433	11,863
eResearchTechnology, Inc.	Healthcare	L(M)	4.50%	8.88%	02/2027	7,271	7,247	6,459
EyeCare Partners, LLC	Healthcare	L(Q)	3.75%	8.48%	02/2027	14,611	14,599	12,431
Foundational Education Group, Inc.	Education	SOFR(Q)	3.75%	8.59%	08/2028	9,405	9,326	8,840
Greenway Health, LLC	Healthcare	L(Q)	3.75%	8.48%	02/2024	14,219	14,221	9,971
Heartland Dental, LLC	Healthcare	L(M)	3.75%	8.13%	04/2025	18,160	18,126	16,847
Help/Systems Holdings, Inc.	Software	SOFR(Q)	4.00%	8.19%	11/2026	18,068	17,953	16,335
Higginbotham Insurance Agency, Inc.	Business Services	L(M)	5.25%	9.63%	11/2026	9,079	9,018	8,972
HighTower Holding, LLC	Financial Services	L(Q)	4.00%	8.28%	04/2028	4,778	4,739	4,402
Houghton Mifflin Harcourt Company	Education	SOFR(M)	5.25%	9.67%	04/2029	5,652	5,493	5,394
Idera, Inc.	Software	L(Q)	3.75%	7.50%	03/2028	15,803	15,792	14,944

[Table of Contents](#)

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Kestra Advisor Services Holdings A, Inc.	Financial Services	L(Q)	4.25%	8.98%	06/2026	\$ 11,935	\$ 11,889	\$ 11,572
LI Group Holdings, Inc.	Software	L(M)	3.75%	8.13%	03/2028	4,573	4,565	4,493
LSCS Holdings, Inc.	Healthcare	L(M)	4.50%	8.88%	12/2028	7,567	7,534	7,236
Mamba Purchaser, Inc.	Healthcare	L(M)	3.50%	7.89%	10/2028	5,730	5,706	5,486
Maverick Bidco Inc.	Software	L(Q)	3.75%	8.16%	05/2028	3,960	3,945	3,763
Maverick Bidco Inc.	Software	SOFR(Q)	5.00%	9.28%	05/2028	2,000	1,905	1,901
Mavis Tire Express Services Topco Corp.	Retail	SOFR(M)	4.00%	8.50%	05/2028	4,174	4,157	3,993
MED ParentCo, LP	Healthcare	L(M)	4.25%	8.63%	08/2026	12,588	12,520	10,800
Mercury Borrower, Inc.	Business Services	L(Q)	3.50%	8.25%	08/2028	4,179	4,160	3,996
MH Sub I, LLC (Micro Holding Corp.)	Software	L(M)	3.75%	8.13%	09/2024	10,695	10,677	10,406
Mitnick Corporate Purchaser, Inc.	Software	SOFR(Q)	4.75%	8.94%	05/2029	4,655	4,633	4,373
National Intergovernmental Purchasing Alliance Company	Business Services	SOFR(Q)	3.50%	8.08%	05/2025	8,485	8,483	8,416
Navex Topco, Inc.	Software	L(M)	3.25%	7.64%	09/2025	10,887	10,841	10,811
Netsmart, Inc.	Healthcare	L(M)	4.00%	8.38%	10/2027	3,940	3,940	3,805
Outcomes Group Holdings, Inc.	Healthcare	L(Q)	3.25%	7.98%	10/2025	3,331	3,327	3,237
Pearls (Netherlands) Bidco B.V.	Specialty Chemicals & Materials	SOFR(Q)	3.75%	7.84%	02/2029	1,728	1,724	1,682
Peraton Corp.	Federal Services	L(M)	3.75%	8.13%	02/2028	7,235	7,206	7,082
PetVet Care Centers, LLC (fka Pearl Intermediate Parent LLC)	Consumer Services	L(M)	3.50%	7.88%	02/2025	4,573	4,570	4,321
Physician Partners, LLC	Healthcare	SOFR(M)	4.00%	8.42%	12/2028	5,627	5,575	5,383
Planview Parent, Inc.	Software	L(Q)	4.00%	8.73%	12/2027	10,832	10,598	10,109
Premise Health Holding Corp.	Healthcare	L(S)	3.75%	7.92%	07/2025	7,405	7,390	7,183
Project Ruby Ultimate Parent Corp.	Healthcare	L(M)	3.25%	7.63%	03/2028	4,352	4,335	4,124
Project Ruby Ultimate Parent Corp.	Healthcare	SOFR(M)	5.75%	10.07%	03/2028	4,988	4,844	4,838
ReallPage, Inc.	Software	L(M)	3.00%	7.38%	04/2028	10,159	10,139	9,687
RLG Holdings, LLC	Packaging	L(M)	4.00%	8.38%	07/2028	5,785	5,761	5,462
Sierra Enterprises, LLC	Food & Beverage	L(Q)	4.00%	8.41%	11/2024	2,381	2,380	1,661
Snap One Holdings Corp.	Distribution & Logistics	L(M)	4.50%	8.88%	12/2028	6,622	6,564	6,093
Sovos Brands Intermediate, Inc.	Food & Beverage	L(Q)	3.50%	7.91%	06/2028	9,429	9,410	9,225
Spring Education Group, Inc. (fka SSH Group Holdings, Inc.)	Education	L(Q)	4.00%	8.73%	07/2025	11,933	11,921	11,692
Storable, Inc.	Software	SOFR(M)	3.50%	7.98%	04/2028	3,823	3,816	3,657
Symplr Software, Inc.	Healthcare	SOFR(Q)	4.50%	8.69%	12/2027	15,720	15,610	13,205
Syndigo LLC	Software	L(M)	4.50%	8.84%	12/2027	14,738	14,655	14,340
Therapy Brands Holdings LLC	Software	L(M)	4.00%	8.35%	05/2028	4,099	4,082	3,853
Thermostat Purchaser III, Inc.	Business Services	L(Q)	4.50%	9.23%	08/2028	6,003	5,978	5,800
USI, Inc. (fka Compass Investors Inc.)	Insurance Services	SOFR(Q)	3.75%	8.33%	11/2029	5,486	5,377	5,441
Valcour Packaging, LLC	Packaging	L(S)	3.75%	7.98%	10/2028	4,504	4,492	3,772
VT Topco, Inc.	Business Services	L(M)	3.75%	8.13%	08/2025	31	31	30
VT Topco, Inc.	Business Services	L(M)	3.50%	7.88%	08/2025	2,729	2,729	2,647
VT Topco, Inc.	Business Services	L(M)	3.75%	8.13%	08/2025	838	835	815
WatchGuard Technologies, Inc.	Software	SOFR(M)	5.25%	9.57%	07/2029	5,290	4,957	5,075
Waystar Technologies, Inc.	Healthcare	L(M)	4.00%	8.38%	10/2026	4,025	4,018	3,972
WP CityMD Bidco LLC	Healthcare	L(M)	3.25%	7.63%	12/2028	4,148	4,123	4,145
Wrench Group LLC	Consumer Services	L(Q)	4.00%	8.73%	04/2026	7,824	7,809	7,565
YI, LLC	Healthcare	L(M)	4.00%	8.38%	11/2024	9,490	9,487	9,174
<b>Total Funded Investments</b>						<b>\$ 687,069</b>	<b>\$ 681,338</b>	<b>\$ 639,607</b>

[Table of Contents](#)

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
<b>Unfunded Investments - First lien</b>								
athenahealth Group Inc.	Healthcare	—	—	—	01/2024	\$ 847	\$ (44)	\$ (80)
Confluent Health, LLC	Healthcare	—	—	—	11/2023	1,139	(6)	(167)
Thermostat Purchaser III, Inc.	Business Services	—	—	—	08/2023	937	—	(32)
VT Topco, Inc.	Business Services	—	—	—	08/2023	25	—	(1)
<b>Total Unfunded Investments</b>						<b>\$ 2,948</b>	<b>\$ (50)</b>	<b>\$ (280)</b>
<b>Total Investments</b>						<b>\$ 690,017</b>	<b>\$ 681,288</b>	<b>\$ 639,327</b>

- (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 the LIBOR (L), the Prime Rate (P), Secured Overnight Financing Rate (SOFR) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of December 31, 2022.
- (2) Represents the fair value in accordance with ASC 820. The Company's board of directors does not determine the fair value of the investments held by SLP III.

Below is certain summarized financial information for SLP III as of March 31, 2023 and December 31, 2022 and for the three months ended March 31, 2023 and March 31, 2022:

<b>Selected Balance Sheet Information:</b>	<b>March 31, 2023</b>		<b>December 31, 2022</b>	
Investments at fair value (cost of \$684,051 and \$681,288)	\$	651,129	\$	639,327
Cash and other assets		19,548		17,149
Receivable from unsettled securities sold		8,816		—
Total assets	\$	679,493	\$	656,476
Credit facility	\$	498,000	\$	512,100
Deferred financing costs (net of accumulated amortization of \$ 5,211 and \$4,840, respectively)		(1,325)		(1,695)
Payable for unsettled securities purchased		28,024		—
Distribution payable		5,578		5,688
Other liabilities		7,203		6,492
Total liabilities		537,480		522,585
Members' capital	\$	142,013	\$	133,891
Total liabilities and members' capital	\$	679,493	\$	656,476

<b>Selected Statement of Operations Information:</b>	<b>Three Months Ended</b>			
	<b>March 31, 2023</b>		<b>March 31, 2022</b>	
Interest income	\$	15,086	\$	7,930
Other income		91		130
Total investment income		15,177		8,060
Interest and other financing expenses		8,406		2,751
Other expenses		243		219
Total expenses		8,649		2,970
Net investment income		6,528		5,090
Net realized losses on investments		(1,867)		(13)
Net change in unrealized appreciation (depreciation) of investments		9,039		(5,495)
Net increase (decrease) in members' capital	\$	13,700	\$	(418)

For the three months ended March 31, 2023 and March 31, 2022, the Company earned approximately \$4,462 and \$4,638, respectively, of dividend income related to SLP III, which is included in dividend income. As of March 31, 2023 and December 31, 2022, approximately \$4,462 and \$4,550, respectively, of dividend income related to SLP III was included in interest and dividend receivable.

The Company has determined that SLP III is an investment company under ASC 946; however, in accordance with such guidance the Company will generally not consolidate its investment in a company other than a wholly-owned investment company subsidiary. Furthermore, ASC 810 concludes that in a joint venture where both members have equal decision making authority, it is not appropriate for one member to consolidate the joint venture since neither has control. Accordingly, the Company does not consolidate SLP III.

**NMFC Senior Loan Program IV LLC**

NMFC Senior Loan Program IV LLC ("SLP IV") was formed as a Delaware limited liability company on April 6, 2021, and commenced operations on May 5, 2021. SLP IV is structured as a private joint venture investment fund between the Company and SkyKnight Income Alpha, LLC ("SkyKnight Alpha") and operates under the First Amended and Restated Limited Liability Company Agreement of NMFC Senior Loan Program IV LLC (the "SLP IV Agreement"). Upon the effectiveness of the SLP IV Agreement dated May 5, 2021, the members contributed their respective membership interests in NMFC Senior Loan Program I LLC ("SLP I") and NMFC Senior Loan Program II LLC ("SLP II") to SLP IV. Immediately following the contribution of their membership interests, SLP I and SLP II became wholly-owned subsidiaries of SLP IV. The purpose of the joint venture is to invest primarily in senior secured loans issued by portfolio companies within the Company's core industry verticals. These investments are typically broadly syndicated first lien loans. All investment decisions must be unanimously approved by the board of managers of SLP IV, which has equal representation from the Company and SkyKnight Alpha. SLP IV has a five year investment period and will continue in existence until May 5, 2028. The investment period may be extended for up to one year pursuant to certain terms of the SLP IV Agreement.

SLP IV is capitalized with equity contributions which were transferred and contributed from its members. As of March 31, 2023, the Company and SkyKnight Alpha have transferred and contributed \$112,400 and \$30,600, respectively, of their membership interests in SLP I and SLP II to SLP IV. The Company's investment in SLP IV is disclosed on the Company's Consolidated Schedule of Investments as of March 31, 2023 and December 31, 2022.

On May 5, 2021, SLP IV entered into a \$370,000 revolving credit facility with Wells Fargo Bank, National Association which matures on May 5, 2026. As of the most recent amendment on April 28, 2023, the facility bears interest at a rate of SOFR plus 1.70%. Prior to the amendment on April 28, 2023, the facility bore interest at a rate of LIBOR plus 1.60% per annum. As of March 31, 2023 and December 31, 2022, SLP IV had total investments with an aggregate fair value of approximately \$77,724 and \$473,762, respectively, and debt outstanding under its credit facility of \$355,937 and \$365,537, respectively. As of March 31, 2023 and December 31, 2022, none of SLP IV's investments were on non-accrual. Additionally, as of March 31, 2023 and December 31, 2022, SLP IV had unfunded commitments in the form of delayed draws of \$967 and \$1,973, respectively.

Below is a summary of SLP IV's consolidated portfolio, along with a listing of the individual investments in SLP IV's consolidated portfolio as of March 31, 2023 and December 31, 2022:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
First lien investments (1)	\$ 509,213	\$ 510,372
Weighted average interest rate on first lien investments (2)	9.13 %	8.54 %
Number of portfolio companies in SLP IV	75	74
Largest portfolio company investment (1)	\$ 21,924	\$ 21,982
Total of five largest portfolio company investments (1)	\$ 93,539	\$ 93,734

(1) Reflects principal amount or par value of investment.

(2) Computed as the all in interest rate in effect on accruing investments divided by the total principal amount of investments.

The following table is a listing of the individual investments in SLP IV's consolidated portfolio as of March 31, 2023:

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
<b>Funded Investments - First lien</b>								
ADG, LLC	Healthcare	L(Q)	4.75% + 0.50% PIK	10.56%	09/2023	\$ 16,343	\$ 16,329	\$ 15,205
ADMI Corp. (aka Aspen Dental)	Healthcare	L(M)	3.75%	8.59%	12/2027	1,847	1,840	1,719
Advisor Group Holdings, Inc.	Financial Services	L(M)	4.50%	9.34%	07/2026	11,548	11,487	11,399
Aretec Group, Inc. (fka RCS Capital Corporation)	Financial Services	SOFR(Q)	4.50%	9.41%	03/2030	3,808	3,732	3,732
Artera Services, LLC	Distribution & Logistics	L(Q)	3.50%	8.66%	03/2025	5,262	5,240	4,481
athenahealth Group Inc.	Healthcare	SOFR(M)	3.50%	8.26%	02/2029	2,391	2,381	2,230
Barracuda Parent, LLC	Software	SOFR(Q)	4.50%	9.18%	08/2029	4,988	4,848	4,798
Bayou Intermediate II, LLC	Healthcare	L(Q)	4.50%	9.30%	08/2028	9,008	8,962	8,648
Bella Holding Company, LLC	Healthcare	SOFR(M)	3.75%	8.66%	05/2028	1,747	1,741	1,692
Bleriot US Bidco Inc.	Federal Services	L(Q)	4.00%	9.16%	10/2026	3,930	3,930	3,937
Bracket Intermediate Holding Corp.	Healthcare	L(Q)	4.25%	9.04%	09/2025	4,416	4,407	4,358
Brave Parent Holdings, Inc.	Software	L(M)	4.00%	8.84%	04/2025	2,339	2,336	2,294
Brown Group Holding, LLC	Distribution & Logistics	SOFR(Q)	3.75%	8.46%	07/2029	5,410	5,283	5,420
CE Intermediate I, LLC	Software	L(Q)	4.00%	8.86%	11/2028	8,157	8,108	7,810
CentralSquare Technologies, LLC	Software	L(Q)	3.75%	8.91%	08/2025	14,363	14,349	12,668
CHA Holdings, Inc.	Business Services	L(Q)	4.50%	9.66%	04/2025	1,979	1,975	1,979
CHA Holdings, Inc.	Business Services	L(Q)	4.50%	9.66%	04/2025	10,777	10,762	10,777
Confluent Health, LLC	Healthcare	L(M)	4.00%	8.84%	11/2028	9,752	9,709	7,972
Confluent Medical Technologies, Inc.	Healthcare	SOFR(Q)	3.75%	8.65%	02/2029	6,930	6,900	6,722
Convey Health Solutions, Inc.	Healthcare	SOFR(Q)	5.25%	10.25%	09/2026	4,975	4,841	4,975
Cornerstone OnDemand, Inc.	Software	L(M)	3.75%	8.59%	10/2028	3,214	3,201	2,977
CVET Midco 2, L.P.	Software	SOFR(Q)	5.00%	9.90%	10/2029	2,687	2,533	2,525
Dealer Tire Financial, LLC	Distribution & Logistics	SOFR(M)	4.50%	9.31%	12/2027	10,639	10,614	10,590
Discovery Purchaser Corporation	Specialty Chemicals & Materials	SOFR(Q)	4.38%	8.96%	10/2029	5,387	4,975	5,101
Dispatch Acquisition Holdings, LLC	Industrial Services	SOFR(Q)	4.25%	9.30%	03/2028	9,850	9,748	8,926
EAB Global, Inc.	Education	L(M)	3.50%	8.34%	08/2028	6,405	6,380	6,263
Eisner Advisory Group LLC	Financial Services	SOFR(M)	5.25%	10.17%	07/2028	1,702	1,635	1,704
Emerald 2 Limited	Business Services	L(Q)	3.25%	8.41%	07/2028	439	439	437
Energize Holdco LLC	Business Services	L(M)	3.75%	8.59%	12/2028	8,978	8,940	8,731
Enverus Holdings, Inc. (fka Drilling Info Holdings, Inc.)	Business Services	L(M)	4.25%	9.09%	07/2025	20,235	20,202	19,426
eResearchTechnology, Inc.	Healthcare	L(M)	4.50%	9.34%	02/2027	4,373	4,347	4,125
EyeCare Partners, LLC	Healthcare	L(M)	3.75%	8.59%	11/2028	9,900	9,879	8,087
Foundational Education Group, Inc.	Education	SOFR(Q)	3.75%	8.91%	08/2028	6,419	6,367	6,059
Geo Parent Corporation	Business Services	SOFR(S)	5.25%	10.17%	12/2025	9,684	9,490	9,443
Greenway Health, LLC (fka Vitera Healthcare Solutions, LLC)	Healthcare	L(S)	3.75%	8.96%	02/2024	20,674	20,659	15,299
Heartland Dental, LLC	Healthcare	L(M)	3.75%	8.59%	04/2025	3,526	3,520	3,304
Heartland Dental, LLC	Healthcare	L(M)	4.00%	8.84%	04/2025	6,190	6,172	5,854
HelpSystems Holdings, Inc.	Software	SOFR(Q)	4.00%	8.78%	11/2026	9,783	9,758	8,753
Houghton Mifflin Harcourt Company	Education	SOFR(M)	5.25%	10.16%	04/2029	4,851	4,680	4,361
Hunter Holdco 3 Limited	Healthcare	L(Q)	4.25%	9.41%	08/2028	3,949	3,917	3,885
Idera, Inc.	Software	L(Q)	3.75%	8.51%	03/2028	9,201	9,141	8,798
Kestra Advisor Services Holdings A, Inc.	Financial Services	SOFR(Q)	4.25%	9.25%	06/2026	5,416	5,377	5,321
LSCS Holdings, Inc.	Healthcare	L(M)	4.50%	9.34%	12/2028	8,648	8,613	8,302
Mamba Purchaser, Inc.	Healthcare	L(M)	3.50%	8.34%	10/2028	1,144	1,139	1,131
Mandolin Technology Intermediate Holdings, Inc.	Software	L(Q)	3.75%	8.58%	07/2028	9,875	9,836	9,110
Maverick Bidco Inc.	Software	SOFR(Q)	5.00%	9.79%	05/2028	2,000	1,908	1,908
Maverick Bidco Inc.	Software	L(Q)	3.75%	8.58%	05/2028	7,901	7,870	7,538



[Table of Contents](#)

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Mavis Tire Express Services Topco Corp.	Retail	SOFR(M)	4.00%	8.92%	05/2028	\$ 8,326	\$ 8,295	\$ 8,185
Mercury Borrower, Inc.	Business Services	L(M)	3.50%	8.38%	08/2028	6,172	6,147	6,010
MH Sub I, LLC (Micro Holding Corp.)	Software	L(M)	3.75%	8.59%	09/2024	7,798	7,787	7,685
National Intergovernmental Purchasing Alliance Company	Business Services	SOFR(Q)	3.50%	8.40%	05/2025	376	375	372
Netsmart, Inc.	Healthcare	L(M)	4.00%	8.84%	10/2027	6,877	6,877	6,802
Nielsen Consumer Inc.	Business Services	SOFR(M)	6.25%	11.06%	03/2028	3,265	2,905	2,881
Nielsen Consumer Inc.	Business Services	SOFR(M)	6.25%	11.06%	03/2028	6,735	5,995	5,944
OECConnection LLC	Software	SOFR(M)	4.00%	8.91%	09/2026	4,070	4,047	4,006
Pearls (Netherlands) Bidco B.V.	Specialty Chemicals & Materials	SOFR(Q)	3.75%	8.43%	02/2029	1,329	1,326	1,306
PetVet Care Centers, LLC (fka Pearl Intermediate Parent LLC)	Consumer Services	L(M)	3.50%	8.34%	02/2025	7,955	7,943	7,731
Physician Partners, LLC	Healthcare	SOFR(Q)	4.00%	9.05%	12/2028	3,222	3,194	3,033
Premise Health Holding Corp.	Healthcare	L(Q)	3.75%	8.91%	07/2025	1,941	1,937	1,863
Project Boost Purchaser, LLC	Business Services	L(M)	3.50%	8.34%	05/2026	2,456	2,452	2,422
RealPage, Inc.	Software	L(M)	3.00%	7.84%	04/2028	3,619	3,609	3,519
Renaissance Holding Corp.	Education	SOFR(M)	4.75%	9.58%	04/2030	5,114	4,960	4,970
Sierra Enterprises, LLC	Food & Beverage	SOFR(Q)	6.75%	11.43%	05/2027	4,247	4,239	2,955
Snap One Holdings Corp.	Distribution & Logistics	L(Q)	4.50%	9.66%	12/2028	8,563	8,490	7,878
Sovos Brands Intermediate, Inc.	Food & Beverage	L(Q)	3.50%	8.33%	06/2028	6,474	6,462	6,367
STATS Intermediate Holdings, LLC	Business Services	SOFR(Q)	7.25%	12.02%	07/2026	2,289	2,203	2,197
Storable, Inc.	Software	SOFR(M)	3.50%	8.30%	04/2028	3,950	3,931	3,825
Symplr Software, Inc.	Healthcare	SOFR(Q)	4.50%	9.28%	12/2027	3,755	3,747	3,361
Syndigo LLC	Software	L(M)	4.50%	9.28%	12/2027	9,735	9,720	9,206
Therapy Brands Holdings LLC	Software	L(M)	4.00%	8.78%	05/2028	6,015	5,990	5,654
Thermostat Purchaser III, Inc.	Business Services	L(Q)	4.50%	9.45%	08/2028	4,277	4,260	4,106
USIC Holdings, Inc.	Business Services	L(M)	3.50%	8.34%	05/2028	3,791	3,779	3,684
Valcour Packaging, LLC	Packaging	L(S)	3.75%	7.98%	10/2028	3,268	3,260	2,718
VT Topco, Inc.	Business Services	L(M)	3.75%	8.59%	08/2025	247	245	244
VT Topco, Inc.	Business Services	L(M)	3.75%	8.59%	08/2025	8,663	8,637	8,569
WatchGuard Technologies, Inc.	Software	SOFR(S)	5.25%	10.11%	07/2029	4,070	3,821	3,867
Wrench Group LLC	Consumer Services	L(Q)	4.00%	9.16%	04/2026	9,444	9,400	9,291
YI, LLC	Healthcare	L(M)	4.00%	8.84%	11/2024	21,924	21,917	21,193
Zest Acquisition Corp.	Healthcare	SOFR(M)	5.50%	10.22%	02/2028	3,165	3,037	3,067
Zone Climate Services, Inc.	Business Services	SOFR(Q)	4.75%	9.54%	03/2028	9,899	9,732	9,901
Zone Climate Services, Inc.	Business Services	SOFR(Q)	4.75%	9.54%	03/2028	2,175	2,140	2,185
<b>Total Funded Investments</b>						<b>\$ 508,246</b>	<b>\$ 503,359</b>	<b>\$ 477,771</b>
<b>Unfunded Investments - First lien</b>								
athenahealth Group Inc.	Healthcare				01/2024	\$ 294	\$ —	\$ (20)
Thermostat Purchaser III, Inc.	Business Services				08/2023	669	—	(27)
VT Topco, Inc.	Business Services				08/2023	4	—	—
<b>Total Unfunded Investments</b>						<b>967</b>	<b>—</b>	<b>(47)</b>
<b>Total Investments</b>						<b>\$ 509,213</b>	<b>\$ 503,359</b>	<b>\$ 477,724</b>

- (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 the LIBOR (L), the Prime Rate (P), Secured Overnight Financing Rate (SOFR), and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of March 31, 2023.
- (2) Represents the fair value in accordance with ASC 820. The Company's board of directors does not determine the fair value of the investments held by SLP IV.

The following table is a listing of the individual investments in SLP IV's consolidated portfolio as of December 31, 2022:

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
<b>Funded Investments - First lien</b>								
ADG, LLC	Healthcare	L (M)	4.75% + 0.50%/PIK	9.69%	09/2023	\$ 16,335	\$ 16,315	\$ 15,674
ADMI Corp. (aka Aspen Dental)	Healthcare	L (M)	3.75%	8.13%	12/2027	1,852	1,844	1,693
Advisor Group Holdings, Inc.	Financial Services	L (M)	4.50%	8.88%	07/2026	11,577	11,513	11,353
Artera Services, LLC	Distribution & Logistics	L (Q)	3.50%	8.23%	03/2025	5,275	5,251	4,339
athenahealth Group Inc.	Healthcare	SOFR (M)	3.50%	7.82%	02/2029	2,397	2,387	2,171
Barracuda Parent, LLC	Software	SOFR (Q)	4.50%	8.59%	08/2029	5,000	4,856	4,822
Bayou Intermediate II, LLC	Healthcare	L (Q)	4.50%	8.96%	08/2028	8,607	8,571	8,305
Bella Holding Company, LLC	Healthcare	L (M)	3.75%	8.13%	05/2028	1,751	1,746	1,661
Bleriot US Bidco Inc.	Federal Services	L (Q)	4.00%	8.73%	10/2026	3,940	3,940	3,907
Bracket Intermediate Holding Corp.	Healthcare	L (Q)	4.25%	7.99%	09/2025	4,427	4,418	4,220
Brave Parent Holdings, Inc.	Software	L (M)	4.00%	8.38%	04/2025	2,345	2,342	2,278
Brown Group Holding, LLC	Distribution & Logistics	SOFR (Q)	3.75%	7.91%	07/2029	5,424	5,293	5,416
Cano Health, LLC	Healthcare	SOFR (M)	4.00%	8.42%	11/2027	7,478	7,473	6,011
CE Intermediate I, LLC	Software	L (Q)	4.00%	8.59%	11/2028	8,178	8,127	7,779
CentralSquare Technologies, LLC	Software	P (Q)	3.75%	8.48%	08/2025	14,400	14,385	12,488
Certara Holdco, Inc.	Healthcare	L (M)	3.50%	7.88%	08/2026	3,900	3,893	3,849
CHA Holdings, Inc.	Business Services	L (Q)	4.50%	9.23%	04/2025	1,984	1,979	1,960
CHA Holdings, Inc.	Business Services	L (Q)	4.50%	9.23%	04/2025	10,806	10,788	10,679
Confluent Health, LLC	Healthcare	L (M)	4.00%	8.68%	11/2028	999	991	853
Confluent Health, LLC	Healthcare	L (M)	4.00%	8.38%	11/2028	8,014	7,979	6,842
Confluent Medical Technologies, Inc.	Healthcare	SOFR (Q)	3.75%	8.33%	02/2029	6,948	6,916	6,617
Convey Health Solutions, Inc.	Healthcare	SOFR (Q)	5.25%	9.83%	09/2026	4,988	4,846	4,838
Cornerstone OnDemand, Inc.	Software	L (M)	3.75%	8.13%	10/2028	3,222	3,209	2,892
CVET Midco 2, L.P.	Software	SOFR (Q)	5.00%	9.58%	10/2029	2,687	2,529	2,522
Dealer Tire Financial, LLC	Distribution & Logistics	SOFR (M)	4.50%	8.82%	12/2027	10,666	10,640	10,559
Discovery Purchaser Corporation	Specialty Chemicals & Materials	SOFR (Q)	4.38%	7.97%	10/2029	5,400	4,976	4,943
Dispatch Acquisition Holdings, LLC	Industrial Services	L (Q)	4.25%	8.98%	03/2028	9,875	9,769	8,393
Drilling Info Holdings, Inc.	Business Services	L (M)	4.25%	8.63%	07/2025	20,288	20,251	19,578
EAB Global, Inc.	Education	L (M)	3.50%	7.88%	08/2028	6,422	6,395	6,193
Emerald 2 Limited	Business Services	L (Q)	3.25%	7.98%	07/2028	441	440	437
Energize Holdco LLC	Business Services	L (M)	3.75%	8.13%	12/2028	9,000	8,961	8,550
eResearchTechnology, Inc.	Healthcare	L (M)	4.50%	8.88%	02/2027	4,384	4,357	3,895
EyeCare Partners, LLC	Healthcare	L (Q)	3.75%	8.48%	11/2028	9,925	9,904	8,445
Foundational Education Group, Inc.	Education	SOFR (Q)	3.75%	8.59%	08/2028	6,435	6,381	6,048
Geo Parent Corporation	Business Services	SOFR (Q)	5.25%	9.44%	12/2025	9,709	9,499	9,470
Greenway Health, LLC	Healthcare	L (Q)	3.75%	8.48%	02/2024	20,729	20,710	14,536
Heartland Dental, LLC	Healthcare	L (M)	3.75%	8.13%	04/2025	3,535	3,529	3,280
Heartland Dental, LLC	Healthcare	L (M)	4.00%	8.39%	04/2025	6,206	6,186	5,785
Help/Systems Holdings, Inc.	Software	SOFR (Q)	4.00%	8.19%	11/2026	9,808	9,782	8,867
Houghton Mifflin Harcourt Company	Education	SOFR (M)	5.25%	9.67%	04/2029	4,037	3,926	3,854
Hunter Holdco 3 Limited	Healthcare	L (Q)	4.25%	8.98%	08/2028	3,949	3,916	3,886
Idera, Inc.	Software	L (Q)	3.75%	7.50%	03/2028	9,224	9,162	8,723
Kestra Advisor Services Holdings A, Inc.	Financial Services	L (Q)	4.25%	8.98%	06/2026	5,430	5,389	5,265
LSCS Holdings, Inc.	Healthcare	L (M)	4.50%	8.88%	12/2028	8,669	8,634	8,290
Mamba Purchaser, Inc.	Healthcare	L (M)	3.50%	7.89%	10/2028	4,092	4,075	3,919
Mandolin Technology Intermediate Holdings, Inc.	Software	L (Q)	3.75%	8.16%	07/2028	9,900	9,859	9,281
Maverick Bidco Inc.	Software	SOFR (Q)	5.00%	9.28%	05/2028	2,000	1,905	1,901
Maverick Bidco Inc.	Software	L (Q)	3.75%	8.16%	05/2028	7,921	7,889	7,527

[Table of Contents](#)

Portfolio Company and Type of Investment	Industry	Reference	Spread	Interest Rate (1)	Maturity Date	Principal Amount or Par Value	Cost	Fair Value (2)
Mavis Tire Express Services Topco Corp.	Retail	SOFR (M)	4.00%	8.50%	05/2028	\$ 8,348	\$ 8,314	\$ 7,985
Mercury Borrower, Inc.	Business Services	L (Q)	3.50%	8.25%	08/2028	6,188	6,162	5,917
MH Sub I, LLC (Micro Holding Corp.)	Software	L (M)	3.75%	8.13%	09/2024	7,818	7,805	7,606
National Intergovernmental Purchasing Alliance Company	Business Services	SOFR (Q)	3.50%	8.08%	05/2025	1,319	1,320	1,308
Neismart, Inc.	Healthcare	L (M)	4.00%	8.38%	10/2027	6,894	6,895	6,658
OEConnection LLC	Software	SOFR (M)	4.00%	8.42%	09/2026	4,081	4,056	3,899
Pearls (Netherlands) Bidco B.V.	Specialty Chemicals & Materials	SOFR (Q)	3.75%	7.84%	02/2029	1,333	1,330	1,298
PetVet Care Centers, LLC (fka Pearl Intermediate Parent LLC)	Consumer Services	L (M)	3.50%	7.88%	02/2025	7,975	7,962	7,537
Physician Partners, LLC	Healthcare	SOFR (M)	4.00%	8.42%	12/2028	4,252	4,214	4,068
Premise Health Holding Corp.	Healthcare	L (S)	3.75%	7.92%	07/2025	1,946	1,942	1,888
Project Boost Purchaser, LLC	Business Services	L (M)	3.50%	7.88%	05/2026	2,463	2,458	2,377
RealPage, Inc.	Software	L (M)	3.00%	7.38%	04/2028	3,628	3,617	3,460
RLG Holdings, LLC	Packaging	L (M)	4.00%	8.38%	07/2028	4,719	4,700	4,456
Sierra Enterprises, LLC	Food & Beverage	L (Q)	4.00%	8.41%	11/2024	4,172	4,164	2,910
Snap One Holdings Corp.	Distribution & Logistics	L (M)	4.50%	8.88%	12/2028	8,584	8,509	7,898
Sovos Brands Intermediate, Inc.	Food & Beverage	L (Q)	3.50%	7.91%	06/2028	8,290	8,273	8,110
STATS Intermediate Holdings, LLC	Business Services	SOFR (Q)	7.25%	11.52%	07/2026	2,294	2,204	2,202
Storable, Inc.	Software	SOFR (M)	3.50%	7.98%	04/2028	3,960	3,940	3,788
Symplr Software, Inc.	Healthcare	SOFR (Q)	4.50%	8.69%	12/2027	3,765	3,756	3,163
Syndigo LLC	Software	L (M)	4.50%	8.84%	12/2027	9,760	9,744	9,497
Therapy Brands Holdings LLC	Software	L (M)	4.00%	8.35%	05/2028	6,030	6,004	5,668
Thermostat Purchaser III, Inc.	Business Services	L (Q)	4.50%	9.23%	08/2028	4,288	4,270	4,143
USIC Holdings, Inc.	Business Services	L (M)	3.50%	7.88%	05/2028	3,801	3,788	3,638
Valcour Packaging, LLC	Packaging	L (S)	3.75%	7.98%	10/2028	3,276	3,268	2,744
Virtusa Corporation	Information Technology	SOFR (M)	3.75%	8.17%	02/2029	2,281	2,260	2,208
VT Topco, Inc.	Business Services	L (M)	3.75%	6.16%	08/2025	308	306	293
VT Topco, Inc.	Business Services	L (M)	3.75%	8.13%	08/2025	8,378	8,350	8,154
WatchGuard Technologies, Inc.	Software	SOFR (M)	5.25%	9.57%	07/2029	4,081	3,824	3,915
Wrench Group LLC	Consumer Services	L (Q)	4.00%	8.73%	04/2026	9,469	9,421	9,155
YI, LLC	Healthcare	L (M)	4.00%	8.38%	11/2024	21,982	21,975	21,251
Zone Climate Services, Inc.	Business Services	SOFR (S)	4.75%	8.62%	03/2028	9,950	9,773	9,791
Zone Climate Services, Inc.	Business Services	SOFR (S)	4.75%	8.64%	03/2028	2,187	2,149	2,152
<b>Total Funded Investments</b>						<b>\$ 508,399</b>	<b>\$ 504,879</b>	<b>\$ 473,931</b>
<b>Unfunded Investments - First lien</b>								
athenahealth Group Inc.	Healthcare	—	—	—	01/2024	\$ 294	\$ —	\$ (28)
Confluent Health, LLC	Healthcare	—	—	—	11/2023	759	(4)	(111)
Thermostat Purchaser III, Inc.	Business Services	—	—	—	08/2023	669	—	(23)
VT Topco, Inc.	Business Services	—	—	—	08/2023	251	—	(7)
<b>Total Unfunded Investments</b>						<b>\$ 1,973</b>	<b>\$ (4)</b>	<b>\$ (169)</b>
<b>Total Investments</b>						<b>\$ 510,372</b>	<b>\$ 504,875</b>	<b>\$ 473,762</b>

- (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 the LIBOR (L), the Prime Rate (P), Secured Overnight Financing Rate (SOFR) and the alternative base rate (Base). For each investment, the current interest rate provided reflects the rate in effect as of December 31, 2022.
- (2) Represents the fair value in accordance with ASC 820. The Company's board of directors does not determine the fair value of the investments held by SLP IV.

Below is certain summarized consolidated financial information for SLP IV as of March 31, 2023 and December 31, 2022 and for the three months ended March 31, 2023 and March 31, 2022:

<b>Selected Consolidated Balance Sheet Information:</b>	<b>March 31, 2023</b>		<b>December 31, 2022</b>	
Investments at fair value (cost of \$503,359 and \$504,875, respectively)	\$	477,724	\$	473,762
Receivable from unsettled securities sold		7,525		—
Cash and other assets		14,645		12,853
<b>Total assets</b>	<b>\$</b>	<b>499,894</b>	<b>\$</b>	<b>486,615</b>
Credit facility	\$	355,937	\$	365,537
Deferred financing costs (net of accumulated amortization of \$ 1,145 and \$997, respectively)		(1,860)		(2,008)
Payable for unsettled securities purchased		4,558		—
Distribution payable		17,592		4,648
Other liabilities		6,051		5,410
<b>Total liabilities</b>		<b>382,278</b>		<b>373,587</b>
<b>Members' capital</b>	<b>\$</b>	<b>117,616</b>	<b>\$</b>	<b>113,028</b>
<b>Total liabilities and members' capital</b>	<b>\$</b>	<b>499,894</b>	<b>\$</b>	<b>486,615</b>

<b>Selected Consolidated Statement of Operations Information:</b>	<b>Three Months Ended</b>			
	<b>March 31, 2023</b>		<b>March 31, 2022</b>	
Interest income	\$	11,258	\$	5,936
Other income		116		103
<b>Total investment income</b>		<b>11,374</b>		<b>6,039</b>
Interest and other financing expenses		5,832		1,803
Other expenses		205		221
<b>Total expenses</b>		<b>6,037</b>		<b>2,024</b>
<b>Net investment income</b>		<b>5,337</b>		<b>4,015</b>
Net realized losses on investments		(1,669)		(2)
Net change in unrealized appreciation (depreciation) of investments		5,478		(3,710)
<b>Net increase in members' capital</b>	<b>\$</b>	<b>9,146</b>	<b>\$</b>	<b>303</b>

For the three months ended March 31, 2023 and March 31, 2022, the Company earned approximately \$3,583 and \$3,372, respectively, of dividend income related to SLP IV, which is included in dividend income. As of March 31, 2023 and December 31, 2022, approximately \$3,583 and \$3,653, respectively, of dividend income related to SLP IV was included in interest and dividend receivable.

The Company has determined that SLP IV is an investment company under ASC 946; in accordance with such guidance the Company will generally not consolidate its investment in a company other than a wholly-owned investment company subsidiary. Furthermore, ASC 810 concludes that in a joint venture where both members have equal decision making authority, it is not appropriate for one member to consolidate the joint venture since neither has control. Accordingly, the Company does not consolidate SLP IV.

### **Unconsolidated Significant Subsidiaries**

In accordance with Regulation S-X Rule 10-01(b)(1), the Company evaluates its unconsolidated controlled portfolio companies to determine if any are as "significant subsidiaries." This determination is made based upon an analysis performed under Rules 3-09 and 4-08(g) of Regulation S-X, pursuant to which the Company must determine if any of its portfolio companies are considered a "significant subsidiary" as defined by Rule 1-02(w) of Regulation S-X under this rule. As of March 31, 2023, the Company did not have any portfolio companies that were deemed to be a "significant subsidiary."

### **Investment Risk Factors**

First and second lien debt that the Company invests in is almost entirely rated below investment grade or may be unrated. Debt investments rated below investment grade are often referred to as "leveraged loans", "high yield" or "junk" debt investments, and may be considered "high risk" compared to debt investments that are rated investment grade. These debt investments are considered speculative because of the credit risk of the issuers. Such issuers are considered more likely than investment grade issuers to default on their payments of interest and principal, and such risk of default could reduce the net asset value and income distributions of the Company. In addition, some of the Company's debt investments will not fully amortize during their lifetime, which could result in a loss or a substantial amount of unpaid principal and interest due upon maturity. First and second lien debt may also lose significant market value before a default occurs. Furthermore, an active trading market may not exist for these first and second lien debt investments. This illiquidity may make it more difficult to value the debt.

Subordinated debt is generally subject to similar risks as those associated with first and second lien debt, except that such debt is subordinated in payment and/or lower in lien priority. Subordinated debt is subject to the additional risk that the cash flow of the borrower and the property securing the debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured and unsecured obligations of the borrower.

The Company may directly invest in the equity of private companies or, in some cases, equity investments could be made in connection with a debt investment. Equity investments may or may not fluctuate in value, resulting in recognized realized gains or losses upon disposition.

### **Note 4. Fair Value**

Pursuant to Rule 2a-5, a market quotation is readily available for purposes of Section 2(a)(41) of the 1940 Act with respect to a security only when that "quotation is a quoted price (unadjusted) in active markets for identical investments that the fund can access at the measurement date, provided that a quotation will not be readily available if it is not reliable." 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. ASC 820 establishes a fair value hierarchy that prioritizes and ranks the inputs to valuation techniques used in measuring investments at fair value. The hierarchy classifies the inputs used in measuring fair value into three levels as follows:

*Level I*—Quoted prices (unadjusted) are available in active markets for identical investments and the Company has the ability to access such quotes as of the reporting date. The type of investments which would generally be included in Level I include active exchange-traded equity securities and exchange-traded derivatives. As required by ASC 820, the Company, to the extent that it holds such investments, does not adjust the quoted price for these investments, even in situations where the Company holds 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. Level II inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including foreign exchange forward contracts); and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

*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 used to measure fair value may fall into different levels. In all instances when the inputs fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level of input that is significant to the fair value measurement in its entirety. As such, a Level III fair value measurement may include

inputs that are both observable and unobservable. Gains and losses for such assets categorized within the Level III table below may include changes in fair value that are attributable to both observable inputs and unobservable inputs.

The inputs into the determination of fair value require significant judgment or estimation by management and consideration of factors specific to each investment. 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 transfer of certain investments within the fair value hierarchy from period to period.

The following table summarizes the levels in the fair value hierarchy that the Company's portfolio investments fall into as of March 31, 2023:

	Total	Level I	Level II	Level III
First lien	\$ 1,798,746	\$ —	\$ —	\$ 1,798,746
Second lien	562,413	—	82,015	480,398
Subordinated	78,282	—	3,934	74,348
Equity and other	830,885	—	—	830,885
<b>Total investments</b>	<b>\$ 3,270,326</b>	<b>\$ —</b>	<b>\$ 85,949</b>	<b>\$ 3,184,377</b>

The following table summarizes the levels in the fair value hierarchy that the Company's portfolio investments fall into as of December 31, 2022:

	Total	Level I	Level II	Level III
First lien	\$ 1,753,967	\$ —	\$ —	\$ 1,753,967
Second lien	561,207	—	81,139	480,068
Subordinated	76,659	—	3,817	72,842
Equity and other	829,414	—	—	829,414
<b>Total investments</b>	<b>\$ 3,221,247</b>	<b>\$ —</b>	<b>\$ 84,956</b>	<b>\$ 3,136,291</b>

The following table summarizes the changes in fair value of Level III portfolio investments for the three months ended March 31, 2023, as well as the portion of appreciation (depreciation) included in income attributable to unrealized appreciation (depreciation) related to those assets and liabilities still held by the Company at March 31, 2023:

	Total	First Lien	Second Lien	Subordinated	Equity and other
<b>Fair Value, December 31, 2022</b>	\$ 3,136,291	\$ 1,753,967	\$ 480,068	\$ 72,842	\$ 829,414
Total gains or losses included in earnings:					
Net realized gains (losses) on investments	708	(13,956)	(4,711)	—	19,375
Net change in unrealized appreciation (depreciation)	7,083	12,093	4,096	(263)	(8,843)
Purchases, including capitalized PIK and revolver fundings(1)	130,933	117,905	945	1,769	10,314
Proceeds from sales and paydowns of investments(1)	(90,638)	(71,263)	—	—	(19,375)
<b>Fair Value, March 31, 2023</b>	<b>\$ 3,184,377</b>	<b>\$ 1,798,746</b>	<b>\$ 480,398</b>	<b>\$ 74,348</b>	<b>\$ 830,885</b>
Unrealized (depreciation) appreciation for the period relating to those Level III assets that were still held by the Company at the end of the period:	\$ (6,956)	\$ (2,055)	\$ 4,096	\$ (156)	\$ (8,841)

(1) Includes non-cash reorganizations and restructurings.

The following table summarizes the changes in fair value of Level III portfolio investments for the three months ended March 31, 2022, as well as the portion of appreciation (depreciation) included in income attributable to unrealized appreciation (depreciation) related to those assets and liabilities still held by the Company at March 31, 2022:

	Total	First Lien	Second Lien	Subordinated	Equity and other
<b>Fair Value, December 31, 2021</b>	\$ 2,843,456	\$ 1,635,143	\$ 319,120	\$ 50,742	\$ 838,451
Total gains or losses included in earnings:					
Net realized gains (losses) on investments	19,164	(77)	—	—	19,241
Net change in unrealized (depreciation) appreciation	(10,152)	1,553	(16,232)	(1,408)	5,935
Purchases, including capitalized PIK and revolver fundings	172,371	155,395	7,351	5,533	4,092
Proceeds from sales and paydowns of investments	(101,580)	(53,073)	(14,500)	—	(34,007)
Transfers into Level III(1)	151,175	—	151,175	—	—
Transfers out of Level III(1)	(27,441)	(27,441)	—	—	—
<b>Fair Value, March 31, 2022</b>	<u>\$ 3,046,993</u>	<u>\$ 1,711,500</u>	<u>\$ 446,914</u>	<u>\$ 54,867</u>	<u>\$ 833,712</u>
Unrealized appreciation (depreciation) for the period relating to those Level III assets that were still held by the Company at the end of the period:	\$ (10,267)	\$ 1,438	\$ (16,232)	\$ (1,408)	\$ 5,935

- (1) As of March 31, 2022, portfolio investments were transferred into Level III from Level II and out of Level III into Level II at fair value as of the beginning of the period in which the reclassification occurred.

Except as noted in the tables above, there were no other transfers in or out of Level I, II, or III during the three months ended March 31, 2023 and March 31, 2022. Transfers into Level III occur as quotations obtained through pricing services are deemed not representative of fair value as of the balance sheet date and such assets are internally valued. As quotations obtained through pricing services are substantiated through additional market sources, investments are transferred out of Level III. In addition, transfers out of Level III and transfers into Level III occur based on the increase or decrease in the availability of certain observable inputs.

The Company invests in revolving credit facilities. These investments are categorized as Level III investments as these assets are not actively traded and their fair values are often implied by the term loans of the respective portfolio companies.

The Company generally uses the following framework when determining the fair value of investments where there are little, if any, market activity or observable pricing inputs. The Company typically determines the fair value of its performing debt investments utilizing an income approach. Additional consideration is given using a market based approach, as well as reviewing the overall underlying portfolio company's performance and associated financial risks. The following outlines additional details on the approaches considered:

**Company Performance, Financial Review, and Analysis:** Prior to investment, as part of its due diligence process, the Company evaluates the overall performance and financial stability of the portfolio company. Post investment, the Company analyzes each portfolio company's current operating performance and relevant financial trends versus prior year and budgeted results, including, but not limited to, factors affecting its revenue and earnings before interest, taxes, depreciation, and amortization ("EBITDA") growth, margin trends, liquidity position, covenant compliance and changes to its capital structure. The Company also attempts to identify and subsequently track any developments at the portfolio company, within its customer or vendor base or within the industry or the macroeconomic environment, generally, that may alter any material element of its original investment thesis. This analysis is specific to each portfolio company. The Company leverages the knowledge gained from its original due diligence process, augmented by this subsequent monitoring, to continually refine its outlook for each of its portfolio companies and ultimately form the valuation of its investment in each portfolio company. When an external event such as a purchase transaction, public offering or subsequent sale occurs, the Company will consider the pricing indicated by the external event to corroborate the private valuation.

For debt investments, the Company may employ the Market Based Approach (as described below) to assess the total enterprise value of the portfolio company, in order to evaluate the enterprise value coverage of the Company's debt investment. For equity investments or in cases where the Market Based Approach implies a lack of enterprise value coverage for the debt investment, the Company may additionally employ a discounted cash flow analysis based on the free cash flows of the portfolio company to assess the total enterprise value. After enterprise value coverage is demonstrated for the Company's debt investments through the method(s) above, the Income Based Approach (as described below) may be employed to estimate the fair value of the investment.

**Market Based Approach:** The Company may estimate the total enterprise value of each portfolio company by utilizing EBITDA or revenue multiples of publicly traded comparable companies and comparable transactions. The Company considers numerous factors when selecting the appropriate companies whose trading multiples are used to value its portfolio companies. These factors include, but are not limited to, the type of organization, similarity to the business being valued, and relevant risk factors, as well as size, profitability and growth expectations. The Company may apply an average of various relevant comparable company EBITDA or revenue multiples to the portfolio company's latest twelve month ("LTM") EBITDA or revenue or projected EBITDA or revenue to calculate the enterprise value of the portfolio company. Significant increases or decreases in the EBITDA or revenue multiple will result in an increase or decrease in enterprise value, which may result in an increase or decrease in the fair value estimate of the investment. In applying the market based approach as of March 31, 2023 and December 31, 2022, the Company used the relevant EBITDA or revenue multiple ranges set forth in the table below to determine the enterprise value of its portfolio companies. The Company believes these were reasonable ranges in light of current comparable company trading levels and the specific portfolio companies involved.

**Income Based Approach:** The Company also may use a discounted cash flow analysis to estimate the fair value of the investment. Projected cash flows represent the relevant security's contractual interest, fee and principal payments plus the assumption of full principal recovery at the investment's expected maturity date. These cash flows are discounted at a rate established utilizing a combination of a yield calibration approach and a comparable investment approach. The yield calibration approach incorporates changes in the credit quality (as measured by relevant statistics) of the portfolio company, as compared to changes in the yield associated with comparable credit quality market indices, between the date of origination and the valuation date. The comparable investment approach utilizes an average yield-to maturity of a selected set of high-quality, liquid investments to determine a comparable investment discount rate. Significant increases or decreases in the discount rate would result in a decrease or increase in the fair value measurement. In applying the income based approach as of March 31, 2023 and December 31, 2022, the Company used the discount ranges set forth in the table below to value investments in its portfolio companies.

The unobservable inputs used in the fair value measurement of the Company's Level III investments as of March 31, 2023 were as follows:

Type	Fair Value as of March 31, 2023	Approach	Unobservable Input	Range		Weighted Average(1)
				Low	High	
First lien	\$ 1,739,314	Market & income approach	EBITDA multiple	4.0x	37.8x	15.3x
			Revenue multiple	4.5x	18.0x	9.0x
			Discount rate	8.0 %	32.8 %	10.9 %
	59,432	Other	N/A(2)	N/A	N/A	N/A
Second lien	472,731	Market & income approach	EBITDA multiple	7.5x	22.0x	14.7x
			Discount rate	10.7 %	21.7 %	13.0 %
	7,667	Other	N/A(2)	N/A	N/A	N/A
Subordinated	74,348	Market & income approach	EBITDA multiple	9.0x	24.5x	16.0x
			Discount rate	13.1 %	31.7 %	18.1 %
Equity and other	810,242	Market & income approach	EBITDA multiple	6.0x	26.5x	12.4x
			Revenue multiple	4.5x	18.0x	7.1x
			Discount rate	6.4 %	46.9 %	12.6 %
	20,643	Other	N/A(2)	N/A	N/A	N/A
	<u>\$ 3,184,377</u>					

(1) Unobservable inputs were weighted by the relative fair value of the investments.

(2) Fair value was determined based on transaction pricing or recent acquisition or sale as the best measure of fair value with no material changes in operations of the related portfolio company since the transaction date.



The unobservable inputs used in the fair value measurement of the Company's Level III investments as of December 31, 2022 were as follows:

Type	Fair Value as of December 31, 2022	Approach	Unobservable Input	Range		Weighted Average(1)
				Low	High	
First lien	\$ 1,663,116	Market & income approach	EBITDA multiple	4.8x	38.0x	15.3x
			Revenue multiple	5.0x	19.5x	9.5x
			Discount rate	8.3 %	29.4 %	11.1 %
	90,851	Other	N/A(2)	N/A	N/A	N/A
Second lien	471,350	Market & income approach	EBITDA multiple	8.2x	32.0x	15.2x
			Discount rate	11.2 %	47.1 %	13.7 %
				8,718	Other	N/A(2)
Subordinated	72,842	Market & income approach	EBITDA multiple	8.0x	23.5x	16.3x
			Discount rate	13.5 %	29.7 %	17.0 %
				793,468	Market & income approach	EBITDA multiple
Equity and other	793,468	Market & income approach	Revenue multiple	10.5x	19.5x	14.6x
			Discount rate	6.4 %	44.0 %	13.0 %
				35,946	Other	N/A(2)
	<u>\$ 3,136,291</u>					

- (1) Unobservable inputs were weighted by the relative fair value of the investments.
- (2) Fair value was determined based on transaction pricing or recent acquisition or sale as the best measure of fair value with no material changes in operations of the related portfolio company since the transaction date.

The carrying value of the collateralized agreement approximates fair value as of March 31, 2023 and is considered Level III. The fair value of other financial assets and liabilities approximates their carrying value based on the short-term nature of these items.

The Holdings Credit Facility, NMFC Credit Facility, DB Credit Facility, SBA-guaranteed debentures, Unsecured Notes and NMNLC Credit Facility II are considered Level III. The fair value of the 2018 Convertible Notes and 2022 Convertible Notes (the "Convertible Notes") were based on quoted prices and are considered Level II. See Note 7. *Borrowings*, for details.

The following are the principal amounts and fair values of the Company's borrowings as of March 31, 2023 and December 31, 2022. Fair value is estimated by discounting remaining payments using applicable current market rates, which take into account changes in the Company's marketplace credit ratings or market quotes, if available.

	As of					
	March 31, 2023			December 31, 2022		
	Principal Amount	Fair Value		Principal Amount	Fair Value	
Holdings Credit Facility	\$ 614,663	\$ 601,760	\$	618,963	\$ 604,971	\$
Unsecured Notes	441,500	415,130		531,500	499,551	
SBA-guaranteed debentures	300,000	264,070		300,000	250,442	
Convertible Notes	376,816	379,911		316,816	317,071	
DB Credit Facility	186,400	183,970		186,400	183,734	
NMFC Credit Facility (1)	87,949	86,618		40,359	39,699	
NMNLC Credit Facility II	3,120	3,128		3,785	3,775	
Total Borrowings	<u>\$ 2,010,448</u>	<u>\$ 1,934,587</u>	<u>\$</u>	<u>1,997,823</u>	<u>\$ 1,899,243</u>	<u>\$</u>

- (1) As of March 31, 2023, the principal amount of the NMFC Credit Facility was \$7,949, which includes £22,850 denominated in GBP and €700 denominated in EUR that has been converted to U.S. dollars. As of March 31, 2023, the fair value of the NMFC Credit Facility was \$86,618, which included £22,504 denominated in GBP and €689

denominated in EUR that has been converted to U.S. dollars. As of December 31, 2022, the principal amount of the NMFC Credit Facility was \$0,359, which included £22,850 denominated in GBP and €700 denominated in EUR that has been converted to U.S. dollars. As of December 31, 2022, the fair value of the NMFC Credit Facility was \$39,699, which included £22,476 denominated in GBP and €689 denominated in EUR that has been converted to U.S. dollars.

**Fair value risk factors**—The Company seeks investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the Company's portfolio companies conduct their operations, as well as general economic, political and public health conditions, may have a significant negative impact on the operations and profitability of the Company's investments and/or on the fair value of the Company's investments. The Company's investments are subject to the risk of non-payment of scheduled interest or principal, resulting in a reduction in income to the Company and their corresponding fair valuations. Also, there may be risk associated with the concentration of investments in one geographic region or in certain industries. These events are beyond the control of the Company and cannot be predicted. Furthermore, the ability to liquidate investments and realize value is subject to uncertainties.

#### **Note 5. Agreements**

The Company entered into an investment advisory and management agreement (the "Investment Management Agreement") with the Investment Adviser which was most recently re-approved by the Company's board of directors on January 24, 2023, at an in-person meeting, for a period of 12 months commencing on March 1, 2023. Under the Investment Management Agreement, the Investment Adviser manages the day-to-day operations of, and provides investment advisory services to, the Company. For providing these services, the Investment Adviser receives a fee from the Company, consisting of two components—a base management fee and an incentive fee. On November 1, 2021, the Company entered into Amendment No. 1 to the Investment Management Agreement ("Amendment No. 1"). As described below, the sole purpose of Amendment No. 1 was to reduce the base management fee from 1.75% of the Company's gross assets to 1.4% of the Company's gross assets.

Pursuant to Amendment No. 1, the base management fee is calculated at an annual rate of 1.4% of the Company's gross assets, which equals the Company's total assets on the Consolidated Statements of Assets and Liabilities, less cash and cash equivalents. The base management fee is payable quarterly in arrears, and is calculated based on the average value of the Company's gross assets, which equals the Company's total assets, as determined in accordance with GAAP, less cash and cash equivalents 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 Company has not invested, and currently is not invested, in derivatives. To the extent the Company invests in derivatives in the future, the Company will use the actual value of the derivatives, as reported on the Consolidated Statements of Assets and Liabilities, for purposes of calculating its base management fee.

Effective as of and for the quarter ended March 31, 2021 through the quarter ending December 31, 2023, the Investment Adviser entered into a fee waiver agreement (the "Fee Waiver Agreement") pursuant to which the Investment Adviser will waive base management fees in order to reach a target base management fee of 1.25% on gross assets (the "Reduced Base Management Fee"). The Investment Adviser cannot recoup management fees that the Investment Adviser has previously waived. For the three months ended March 31, 2023 and March 31, 2022, management fees waived were approximately \$1,063 and \$1,092, respectively.

The incentive fee consists of two parts. The first part is calculated and payable quarterly in arrears and equals 20.0% of the Company's "Pre-Incentive Fee Net Investment Income" for the immediately preceding quarter, subject to a "preferred return", or "hurdle", and a "catch-up" feature. "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, upfront, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter, minus the Company's operating expenses for the quarter (including the base management fee, expenses payable under an administration agreement, as amended and restated (the "Administration Agreement"), with the Administrator, and any interest expense and distributions paid on any issued and outstanding preferred stock (of which there were none as of March 31, 2023), 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 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 2.0% per quarter (8.0% annualized), subject to a "catch-up" provision measured as of the end of each calendar quarter. The hurdle rate is appropriately pro-rated for any partial periods. The calculation of the Company's incentive fee with respect to the Pre-Incentive Fee 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 Company's Pre-Incentive Fee Net Investment Income does not exceed the hurdle rate of 2.0% (the "preferred return" or "hurdle").
- 100.0% 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 (10.0% annualized) is payable to the Investment Adviser. This portion of the Company's Pre-Incentive Fee Net Investment Income (which exceeds the hurdle rate but is less than or equal to 2.5%) is referred to as the "catch-up". The catch-up provision is intended to provide the Investment Adviser with an incentive fee of 20.0% 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.
- 20.0% of the amount of the Company's Pre-Incentive Fee Net Investment Income, if any, that exceeds 2.5% in any calendar quarter (10.0% annualized) is payable to the Investment Adviser once the hurdle is reached and the catch-up is achieved.

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) and will equal 20.0% 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 fee.

In accordance with GAAP, the Company accrues a hypothetical capital gains incentive fee based upon the cumulative net realized capital gains and realized capital losses and the cumulative net unrealized capital appreciation and unrealized capital depreciation on investments held at the end of each period. Actual amounts paid to the Investment Adviser are consistent with the Investment Management Agreement and are based only on actual realized capital gains computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis from inception through the end of each calendar year as if the entire portfolio was sold at fair value.

The following table summarizes the management fees and incentive fees incurred by the Company for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Management fee	\$ 11,638	\$ 11,553
Less: management fee waiver	(1,063)	(1,092)
<b>Total management fee</b>	<b>10,575</b>	<b>10,461</b>
Incentive fee, excluding accrued capital gains incentive fees	\$ 9,597	\$ 7,477
Accrued capital gains incentive fees(1)	\$ —	\$ —

- (1) As of March 31, 2023 and March 31, 2022, no actual capital gains incentive fee was owed under the Investment Management Agreement by the Company, as cumulative net realized capital gains did not exceed cumulative unrealized capital depreciation.

The Company has entered into the Administration Agreement with the Administrator under which the Administrator provides administrative services. The Administration Agreement was most recently re-approved by the board of directors on January 24, 2023 for a period of 12 months commencing on March 1, 2023. The Administrator maintains, or oversees the maintenance of, the Company's consolidated financial records, prepares reports filed with the SEC, generally monitors the payment of the Company's expenses and oversees the performance of administrative and professional services rendered by others. The Company reimburses the Administrator for the Company's allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations to the Company under the Administration Agreement. Pursuant to the Administration Agreement and further restricted by the Company, the Administrator may, in its own discretion, submit to the Company for reimbursement some or all of the expenses that the Administrator has incurred on behalf of the Company during any quarterly period. As a result, the amount of expenses for which the Company will have to reimburse the Administrator may fluctuate in future quarterly periods and there can be no assurance given as to when, or if, the Administrator may determine to limit the expenses that the Administrator submits to the Company for reimbursement in the future. However, it is expected that the Administrator will continue to support part of the expense burden of the Company in the near future and may decide to not calculate and charge through certain overhead related amounts as well as continue to cover some of the indirect costs. The Administrator cannot recoup any expenses that the Administrator has previously waived. For the three months ended March 31, 2023 and March 31, 2022, approximately \$595 and \$791, respectively, of indirect administrative

expenses were included in administrative expenses of which \$0 and \$238, respectively, were waived by the Administrator. As of March 31, 2023 and December 31, 2022, approximately \$595 and \$605, respectively, of indirect administrative expenses were included in payable to affiliates. For the three months ended March 31, 2023 and March 31, 2022, the reimbursement to the Administrator represented approximately 0.02% and 0.02%, respectively, of the Company's gross assets.

The Company, the Investment Adviser and the Administrator have also entered into a Trademark License Agreement, as amended, with New Mountain Capital, pursuant to which New Mountain Capital has agreed to grant the Company, the Investment Adviser and the Administrator a non-exclusive, royalty-free license to use the "New Mountain" and the "New Mountain Finance" names, as well as the NMF logo. Under the Trademark License Agreement, as amended, subject to certain conditions, the Company, the Investment Adviser and the Administrator will have a right to use the "New Mountain" and "New Mountain Finance" names, as well as the NMF logo, for so long as the Investment Adviser or one of its affiliates remains the investment adviser of the Company. Other than with respect to this limited license, the Company, the Investment Adviser and the Administrator will have no legal right to the "New Mountain" or the "New Mountain Finance" names, as well as the NMF logo.

In addition, pursuant to an exemptive order issued by the SEC on April 8, 2020 and applicable to all BDCs through December 31, 2020 (the "Temporary Relief"), the Company was permitted, subject to the satisfaction of certain conditions, to complete follow-on investments in our existing portfolio companies with certain affiliates that are private funds if such private funds do not hold an investment in such existing portfolio company. Without the Temporary Relief, such private funds would not be able to participate in such co-investments with the Company unless the private funds had previously acquired securities of the portfolio company in a co-investment transaction with the Company. Although the Temporary Relief expired on December 31, 2020, the SEC's Division of Investment Management had indicated that until March 31, 2022, it would not recommend enforcement action, to the extent that any BDC with an existing co-investment order continued to engage in certain transactions described in the Temporary Relief, pursuant to the same terms and conditions described therein. The Temporary Relief is no longer effective; however, the Company filed an application to amend its existing Exemptive Order (as defined below) on May 24, 2022, as amended on June 22, 2022.

On August 30, 2022, the Company received an Order from the SEC which amended its existing Exemptive Order to permit the Company to continue to complete follow-on investments in its existing portfolio companies with certain affiliates that are private funds if such private funds do not hold an investment in such existing portfolio company, subject to certain conditions.

#### **Note 6. Related Parties**

The Company has entered into a number of business relationships with affiliated or related parties.

The Company has entered into the Investment Management Agreement with the Investment Adviser, a wholly-owned subsidiary of New Mountain Capital. Therefore, New Mountain Capital is entitled to 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.

The Company has entered into the Fee Waiver Agreement with the Investment Adviser, pursuant to which the Investment Adviser agreed to voluntarily reduce the base management fees payable to the Investment Adviser by the Company under the Investment Management Agreement beginning with the quarter ended March 31, 2021 through the quarter ending December 31, 2022. Subsequently, the Company and the Investment Adviser extended the term of the Fee Waiver Agreement to be effective through the quarter ending December 31, 2023. See Note 5. *Agreements*, for details.

The Company has entered into the Administration Agreement with the Administrator, a wholly-owned subsidiary of New Mountain Capital. The Administrator arranges office space for the Company and provides office equipment and administrative services necessary to conduct their respective day-to-day operations pursuant to the Administration Agreement. The Company reimburses the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations to the Company under the Administration Agreement, which includes the fees and expenses associated with performing administrative, finance and compliance functions, and the compensation of the Company's chief financial officer and chief compliance officer and their respective staffs.

The Company, the Investment Adviser and the Administrator have entered into a royalty-free Trademark License Agreement, as amended, with New Mountain Capital, pursuant to which New Mountain Capital has agreed to grant the

Company, the Investment Adviser and the Administrator a non-exclusive, royalty-free license to use the name "New Mountain" and "New Mountain Finance", as well as the NMF logo.

The Company has adopted a formal code of ethics that governs the conduct of its officers and directors. These officers and directors also remain subject to the duties imposed by the 1940 Act and the Delaware General Corporation Law.

The Investment Adviser and its affiliates may also manage other funds in the future that may have investment mandates that are similar, in whole or in part, to the Company's investment mandates. The Investment Adviser and its affiliates may determine that an investment is appropriate for the Company or 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 the Company 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. On October 8, 2019, the SEC issued an exemptive order (the "Exemptive Order"), which superseded a prior order issued on December 18, 2017, which permits the Company to co-invest in portfolio companies with certain funds or entities managed by the Investment Adviser or its affiliates in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act, subject to the conditions of the Exemptive Order. Pursuant to the Exemptive Order, the Company is permitted to co-invest with its affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) of the Company's independent directors make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co-investment transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching in respect of the Company or its stockholders on the part of any person concerned, and (2) the potential co-investment transaction is consistent with the interests of the Company's stockholders and is consistent with its then-current investment objective and strategies. The Exemptive Order was amended on August 30, 2022 to permit the Company to complete follow-on investments in its existing portfolio companies with certain affiliates that are private funds if such private funds do not hold an investment in such existing portfolio company, subject to certain conditions.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNLC 105,030 shares of NMNLC's common stock at a price of \$0.73 per share, which represented the net asset value per share of NMNLC at the date of purchase, for an aggregate purchase price of approximately \$1,315. Immediately thereafter, NMNLC redeemed 105,030 shares of its common stock held by the Company in exchange for a promissory note with a principal amount of \$1,315 and a 7.0% interest rate, which was repaid by NMNLC to the Company on March 31, 2020.

On March 30, 2020, the Company entered into an unsecured revolving credit facility with NMF Investments III, L.L.C., an affiliate of the Investment Adviser, with a \$30,000 maximum amount of revolver borrowings available and a maturity date of December 31, 2022. On May 4, 2020, the Company entered into an Amended and Restated Uncommitted Revolving Loan Agreement with NMF Investments III, L.L.C., which increased the maximum amounts of revolving borrowings available thereunder from \$30,000 to \$50,000. On December 17, 2021, the Company entered into Amendment No. 1 to the Amended and Restated Uncommitted Revolving Loan Agreement with NMF Investments III, L.L.C., which lowered the interest rate and extended the maturity date from December 31, 2022 to December 31, 2024. Refer to Note 7. *Borrowings* for discussion of the Unsecured Management Company Revolver (defined below).

#### **Note 7. Borrowings**

On June 8, 2018 the Company's shareholders approved the application of the modified asset coverage requirements set forth in Section 61(a) of the 1940 Act, which resulted in the reduction from 200.0% to 150.0% of the minimum asset coverage ratio applicable to the Company as of June 9, 2018 (which means the Company can borrow \$2 for every \$1 of its equity). As a result of the Company's exemptive relief received on November 5, 2014, the Company is permitted to exclude its SBA-guaranteed debentures from the 150.0% asset coverage ratio that the Company is required to maintain under the 1940 Act. The agreements governing the NMFC Credit Facility, the Convertible Notes (as defined below) and the Unsecured Notes (as defined below) contain certain covenants and terms, including a requirement that the Company not exceed a debt-to-equity ratio of 1.65 to 1.00 at the time of incurring additional indebtedness and a requirement that the Company not exceed a secured debt ratio of 0.70 to 1.00 at any time. As of March 31, 2023, the Company's asset coverage ratio was 177.6%.

**Holdings Credit Facility**—On October 24, 2017, the Company entered into the Third Amended and Restated Loan and Security Agreement (as amended from time to time, the "Loan and Security Agreement") among the Company, as the Collateral Manager, NMF Holdings, as the Borrower, Wells Fargo Securities, LLC, as the Administrative Agent and Wells Fargo Bank, National Association, as the Lender and Collateral Custodian (the "Holdings Credit Facility"). As of the amendment on April 20, 2021, the maturity date of the Holdings Credit Facility is April 20, 2026, and the maximum facility amount is the lesser of \$800,000 and the actual commitments of the lenders to make advances as of such date.

As of March 31, 2023, the maximum amount of revolving borrowings available under the Holdings Credit Facility is \$730,000. Under the Holdings Credit Facility, NMF Holdings is permitted to borrow up to 25.0%, 45.0%, 67.5% or 70.0% of the purchase price of pledged assets, subject to approval by Wells Fargo Bank, National Association. The Holdings Credit

Facility is non-recourse to the Company and is collateralized by all of the investments of NMF Holdings on an investment by investment basis. All fees associated with the origination, amending or upsizing of the Holdings Credit Facility are capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the Holdings Credit Facility. The Holdings Credit Facility contains certain customary affirmative and negative covenants and events of default. In addition, the Holdings Credit Facility requires the Company to maintain a minimum asset coverage ratio of 150.0%. The covenants are generally not tied to market fluctuations in the prices of NMF Holdings investments, but rather to the performance of the underlying portfolio companies.

As of the most recent amendment on April 28, 2023, the Holdings Credit Facility bears interest at a rate of SOFR plus .70% for Broadly Syndicated Loans (as defined in the Seventh Amendment to the Loan and Security Agreement) and SOFR plus 2.20% per annum for all other investments. From April 20, 2021 to April 27, 2023, the Holdings Credit Facility bore interest at a rate of LIBOR plus 1.60% per annum for Broadly Syndicated Loans (as defined in the Fifth Amendment to the Loan and Security Agreement) and LIBOR plus 2.10% per annum for all other investments. The Holdings Credit Facility also charges a non-usage fee, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the Third Amended and Restated Loan and Security Agreement).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the Holdings Credit Facility for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Interest expense	\$ 10,287	\$ 2,934
Non-usage fee	\$ 118	\$ 222
Amortization of financing costs	\$ 464	\$ 789
Weighted average interest rate	6.6 %	2.2 %
Effective interest rate	7.0 %	2.9 %
Average debt outstanding	\$ 634,146	\$ 550,063

As of March 31, 2023 and December 31, 2022, the outstanding balance on the Holdings Credit Facility was \$614,663 and \$618,963, respectively, and NMF Holdings was in compliance with the applicable covenants in the Holdings Credit Facility on such dates.

**NMFC Credit Facility**—The Amended and Restated Senior Secured Revolving Credit Agreement, (as amended from time to time, and together with the related guarantee and security agreement, the "RCA"), dated June 4, 2021, among the Company, as the Borrower, Goldman Sachs Bank USA, as the Administrative Agent and Collateral Agent, and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A., Stifel Bank & Trust and MUFG Union Bank, N.A., as Lenders (the "NMFC Credit Facility"), is structured as a senior secured revolving credit facility. The NMFC Credit Facility is guaranteed by certain of the Company's domestic subsidiaries and proceeds from the NMFC Credit Facility may be used for general corporate purposes, including the funding of portfolio investments. As of the most recent amendment on June 4, 2021, the maturity date of the NMFC Credit Facility is June 4, 2026.

As of March 31, 2023, the maximum amount of revolving borrowings available under the NMFC Credit Facility was \$98,500. The Company is permitted to borrow at various advance rates depending on the type of portfolio investment, as outlined in the RCA. All fees associated with the origination and amending of the NMFC Credit Facility are capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the NMFC Credit Facility. The NMFC Credit Facility contains certain customary affirmative and negative covenants and events of default, including certain financial covenants related to asset coverage and liquidity and other maintenance covenants.

As of the most recent amendment on June 4, 2021, the NMFC Credit Facility generally bears interest at a rate of LIBOR, Sterling Overnight Interbank Average Rate ("SONIA") or Euro Interbank Offered Rate ("EURIBOR") plus 2.10% per annum or the prime rate plus 1.10% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.375% per annum (as defined in the RCA). Prior to June 4, 2021, the NMFC Credit Facility bore interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charged a commitment fee, based on the unused facility amount multiplied by 0.375% per annum (as defined in the RCA).

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the NMFC Credit Facility for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Interest expense	\$ 1,617	\$ 871
Non-usage fee	\$ 92	\$ 43
Amortization of financing costs	\$ 53	\$ 62
Weighted average interest rate	6.5 %	2.3 %
Effective interest rate	7.1 %	2.6 %
Average debt outstanding	\$ 101,025	\$ 152,570

As of March 31, 2023, the outstanding balance on the NMFC Credit Facility was \$87,949, which included £22,850 denominated in British Pound Sterling ("GBP") and €700 denominated in Euro ("EUR") that have been converted to U.S. dollars. As of December 31, 2022, the outstanding balance on the NMFC Credit Facility was \$0,359, which included £22,850 denominated in GBP and €700 denominated in EUR that have been converted to U.S. dollars.

**Unsecured Management Company Revolver**—The Uncommitted Revolving Loan Agreement (the "Uncommitted Revolving Loan Agreement"), dated March 30, 2020, by and between the Company, as the Borrower, and NMF Investments III, L.L.C., as Lender, an affiliate of the Investment Adviser (the "Unsecured Management Company Revolver"), is structured as a discretionary unsecured revolving credit facility. The proceeds from the Unsecured Management Company Revolver may be used for general corporate purposes, including the funding of portfolio investments. As of the most recent amendment on December 17, 2021, the maturity date of the Unsecured Management Company Revolver is December 31, 2024.

As of the most recent amendment on December 17, 2021, the Unsecured Management Company Revolver bears interest at a rate of 0.00% per annum. On May 4, 2020, the Company entered into an Amended and Restated Uncommitted Revolving Loan Agreement with NMF Investments III, L.L.C., which increased the maximum amounts of revolving borrowings available thereunder from \$30,000 to \$50,000. As of March 31, 2023, the maximum amount of revolving borrowings available under the Unsecured Management Company Revolver was \$50,000 and no borrowings were outstanding. For the three months ended March 31, 2023 and March 31, 2022, amortization of financing costs were \$1 and \$3, respectively.

**DB Credit Facility**—The Loan Financing and Servicing Agreement (the "LFSA") dated December 14, 2018 and as amended from time to time, among NMFDB as the borrower, Deutsche Bank AG, New York Branch ("Deutsche Bank") as the facility agent, Lender and other agent from time to time party thereto and U.S. Bank National Association, as collateral agent and collateral custodian (the "DB Credit Facility"), is structured as a secured revolving credit facility and the maturity date is March 25, 2026.

As of March 31, 2023, the maximum amount of revolving borrowings available under the DB Credit Facility was \$80,000. The Company is permitted to borrow at various advance rates depending on the type of portfolio investment, as outlined in the LFSA. The DB Credit Facility is non-recourse to the Company and is collateralized by all of the investments of NMFDB on an investment by investment basis. All fees associated with the origination and amending of the DB Credit Facility are capitalized on the Company's Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the DB Credit Facility. The DB Credit Facility contains certain customary affirmative and negative covenants and events of default. The covenants are generally not tied to mark to market fluctuations in the prices of NMFDB investments, but rather to the performance of the underlying portfolio companies.

The advances under the DB Credit Facility accrue interest at a per annum rate equal to the Applicable Margin plus the lender's Cost of Funds Rate. Prior to March 25, 2021, the Applicable Margin was equal to 2.60% during the Revolving Period and then increases by 0.20% during an Event of Default. Effective March 25, 2021, the Applicable Margin is equal to 2.35% during the Revolving Period and then increases by 0.20% during an Event of Default. The "Cost of Funds Rate" for a conduit lender is the lower of its commercial paper rate and the Base Rate plus 0.50%, and for any other lender is the Base Rate. The "Base Rate" is the three-months LIBOR Rate but may become an alternative base rate based on Deutsche Bank's base lending rate if certain LIBOR disruption events occur. The Company is also charged a non-usage fee, based on the unused facility amount multiplied by the Undrawn Fee Rate (as defined in the LFSA) and a facility agent fee of 0.25% per annum on the total facility amount.

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the DB Credit Facility for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Interest expense(1)	\$ 3,486	\$ 1,766
Non-usage fee(1)	\$ 102	\$ 53
Amortization of financing costs	\$ 267	\$ 267
Weighted average interest rate	7.6 %	3.0 %
Effective interest rate	8.4 %	3.6 %
Average debt outstanding	\$ 186,400	\$ 237,267

(1) Interest expense includes the portion of the facility agent fee applicable to the drawn portion of the DB Credit Facility and non-usage fee includes the portion of the facility agent fee applicable to the undrawn portion of the DB Credit Facility.

As of March 31, 2023 and December 31, 2022, the outstanding balance on the DB Credit Facility was \$86,400 and \$186,400, respectively, and NMFDB was in compliance with the applicable covenants in the DB Credit Facility on such dates.

**NMNL Credit Facility II**—The Credit Agreement (together with the related guarantee and security agreement, the "NMNL CA"), dated February 26, 2021, by and between NMNL, as the Borrower, and City National Bank, as the Lender (the "NMNL Credit Facility II"), is structured as a senior secured revolving credit facility. As of the most recent amendment on November 1, 2022, NM CLFX LP has been added as a co-borrower and the NMNL CA will mature on November 1, 2024. The NMNL Credit Facility II is guaranteed by the Company and proceeds from the NMNL Credit Facility II are able to be used for refinancing existing loans on properties held.

From December 7, 2021 through November 1, 2022, the NMNL Credit Facility II bore interest at a rate of the SOFR plus 7.75% per annum with a 0.35% floor, and charges a commitment fee, based on the unused facility amount multiplied by 0.05% per annum (as defined in the NMNL CA). As of the amendment on November 1, 2022, the NMNL Credit Facility II bears interest at a rate of SOFR plus 2.25%.

Prior to the amendment on March 16, 2022, the maximum amount of revolving borrowings available under the NMNL Credit Facility II was \$20,000. As of the March 16, 2022 amendment and effective May 1, 2022 through November 1, 2022, the maximum amount of revolving borrowings available under the NMNL Credit Facility II was \$10,000. As of the amendment on November 1, 2022, the maximum amount of revolving borrowings available to all borrowers under the NMNL Credit Facility II is \$27,500, of which \$25,675 is outstanding as of March 31, 2023.

The following table summarizes the interest expense, non-usage fees and amortization of financing costs incurred on the NMNL Credit Facility II for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Interest expense	\$ 53	\$ 118
Non-usage fee	\$ —	\$ 1
Amortization of financing costs	\$ 23	\$ 27
Weighted average interest rate	7.2 %	3.1 %
Effective interest rate	10.4 %	3.9 %
Average debt outstanding	\$ 2,973	\$ 15,200

As of March 31, 2023 and December 31, 2022, the outstanding balance on the NMNL Credit Facility II was \$,120 and \$3,785, respectively, and NMNL was in compliance with the applicable covenants in the NMNL Credit Facility II on such date.

**Convertible Notes**

**2018 Convertible Notes**—On August 20, 2018, the Company closed a registered public offering of \$100,000 aggregate principal amount of unsecured convertible notes (the "2018 Convertible Notes"), pursuant to an indenture, dated August 20,



2018, as supplemented by a first supplemental indenture thereto, dated August 20, 2018 (together the “2018A Indenture”). On August 30, 2018, in connection with the registered public offering, the Company issued an additional \$15,000 aggregate principal amount of the 2018 Convertible Notes pursuant to the exercise of an overallotment option by the underwriter of the 2018 Convertible Notes. On June 7, 2019, the Company closed a registered public offering of an additional \$86,250 aggregate principal amount of the 2018 Convertible Notes. These additional 2018 Convertible Notes constitute a further issuance of, rank equally in right of payment with, and form a single series with the \$115,000 aggregate principal amount of 2018 Convertible Notes that the Company issued in August 2018.

The 2018 Convertible Notes bear interest at an annual rate of 5.75%, payable semi-annually in arrears on February 15 and August 15 of each year, which commenced on February 15, 2019. The 2018 Convertible Notes will mature on August 15, 2023 unless earlier converted, repurchased or redeemed pursuant to the terms of the 2018A Indenture. The Company may not redeem the 2018 Convertible Notes prior to May 15, 2023. On or after May 15, 2023, the Company may redeem the 2018 Convertible Notes for cash, in whole or from time to time in part, at its option at a redemption price, subject to an exception for redemption dates occurring after a record date but on or prior to the interest payment date, equal to the sum of (i) 100% of the principal amount of the 2018 Convertible Notes to be redeemed, (ii) accrued and unpaid interest thereon to, but excluding, the redemption date and (iii) a make-whole premium.

On November 4, 2022, the Company launched a tender offer to purchase, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated November 4, 2022, up to \$201,250 aggregate principal amount of outstanding 2018 Convertible Notes for cash in an amount equal to \$1,000 per \$1,000 principal amount of Notes purchased (exclusive of accrued and unpaid interest on such notes) (the “Tender Offer”). The Tender Offer expired on December 6, 2022. As of the expiration of the Tender Offer, \$84,434 aggregate principal amount of the 2018 Convertible Notes were validly tendered and not validly withdrawn pursuant to the Tender Offer. The Company accepted for purchase all of the 2018 Convertible Notes that were validly tendered and not validly withdrawn at the expiration of the Tender Offer. Following settlement of the Tender Offer on December 9, 2022, approximately \$116,816 aggregate principal amount of the 2018 Convertible Notes remained outstanding.

No sinking fund is provided for the 2018 Convertible Notes. Holders of 2018 Convertible Notes may, at their option, convert their 2018 Convertible Notes into shares of the Company’s common stock at any time on or prior to the close of business on the business day immediately preceding the maturity date of the 2018 Convertible Notes. In addition, if certain corporate events occur, holders of the 2018 Convertible Notes may require the Company to repurchase for cash all or part of their 2018 Convertible Notes at a repurchase price equal to 100.0% of the principal amount of the 2018 Convertible Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the repurchase date.

The 2018A Indenture contains certain covenants, including covenants requiring the Company to provide certain financial information to the holders of the 2018 Convertible Notes and the trustee if the Company ceases to be subject to the reporting requirements of the Exchange Act. The 2018A Indenture also includes additional financial covenants related to asset coverage. These covenants are subject to limitations and exceptions that are described in the 2018A Indenture.

**2022 Convertible Notes**—On November 2, 2022, the Company closed a private offering of \$200,000 aggregate principal amount of unsecured convertible notes (the “2022 Convertible Notes”), pursuant to an indenture, dated August 20, 2018, as supplemented by a third supplemental indenture thereto, dated November 2, 2022 (together the “2018C Indenture”). On March 14, 2023, the Company issued an additional \$60,000 aggregate principal amount of the 2022 Convertible Notes. These additional 2022 Convertible Notes constitute a further issuance of, rank equally in right of payment with, and form a single series with the \$200,000 aggregate principal amount of 2022 Convertible Notes that the Company issued in November 2022.

The 2022 Convertible Notes bear interest at an annual rate of 7.50%, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on April 15, 2023. The 2022 Convertible Notes will mature on October 15, 2025 unless earlier converted, repurchased or redeemed pursuant to the terms of the 2018C Indenture. The Company may not redeem the 2022 Convertible Notes prior to July 15, 2025. On or after July 15, 2025, the Company may redeem the 2022 Convertible Notes for cash, in whole or from time to time in part, at our option at a redemption price, subject to an exception for redemption dates occurring after a record date but on or prior to the interest payment date, equal to the sum of (i) 100% of the principal amount of the 2022 Convertible Notes to be redeemed, (ii) accrued and unpaid interest thereon to, but excluding, the redemption date and (iii) a make-whole premium.

The following table summarizes certain key terms related to the convertible features of the Company's 2018 Convertible Notes and the 2022 Convertible Notes (together, the "Convertible Notes") as of March 31, 2023:

	2018 Convertible Notes		2022 Convertible Notes	
Initial conversion premium(1)		10.0 %		14.7 %
Initial conversion rate(2)		65.8762		70.4225
Initial conversion price	\$	15.18	\$	14.20
Conversion premium at March 31, 2023		10.0 %		14.7 %
Conversion rate at March 31, 2023(1)(2)		65.8762		70.6582
Conversion price at March 31, 2023(2)(3)	\$	15.18	\$	14.15
Last conversion price calculation date		August 20, 2022		March 17, 2023

- (1) Conversion rates denominated in shares of common stock per \$1 principal amount of the Convertible Notes converted.
- (2) Represents conversion rate and conversion price, as applicable, taking into account certain de minimis adjustments that will be made on the conversion date.
- (3) The conversion price in effect at March 31, 2023 on the 2018 Convertible Notes was calculated on the last anniversary of the issuance and will be calculated again on the next anniversary, unless the exercise price shall have changed by more than 1.0% before the anniversary. The conversion price in effect at March 31, 2023 on the 2022 Convertible Notes was calculated on March 17, 2023.

The conversion rate will be subject to adjustment upon certain events, such as stock splits and combinations, mergers, spin-offs, increases in dividends in excess of \$0.34 per share per quarter for the 2018 Convertible Notes and \$0.30 per share per quarter for the 2022 Convertible Notes and certain changes in control. Certain of these adjustments, including adjustments for increases in dividends, are subject to a conversion price floor of \$13.80 per share for the 2018 Convertible Notes and \$12.38 per share for the 2022 Convertible Notes. In no event will the total number of shares of common stock issuable upon conversion exceed 72.4637 per \$1 principal amount of the 2018 Convertible Notes and 80.7754 per \$1 principal amount of the 2022 Convertible Notes. The Company has determined that the embedded conversion option in the Convertible Notes is not required to be separately accounted for as a derivative under GAAP.

The Convertible Notes are unsecured obligations and rank senior in right of payment to the Company's existing and future indebtedness, if any, that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to the Company's existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness (including existing unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries and financing vehicles. As reflected in Note 11. *Earnings Per Share*, the issuance is considered part of the if-converted method for calculation of diluted earnings per share.

The following table summarizes the interest expense, amortization of financing costs and amortization of premium incurred on the Convertible Notes for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended			
	March 31, 2023		March 31, 2022	
Interest expense	\$	5,642	\$	2,893
Amortization of financing costs	\$	374	\$	97
Amortization of premium	\$	(18)	\$	(26)
Weighted average interest rate		6.9 %		5.8 %
Effective interest rate		7.3 %		5.9 %
Average debt outstanding	\$	328,816	\$	201,250

As of March 31, 2023 and December 31, 2022, the outstanding balance on the Convertible Notes was \$76,816 and \$316,816, respectively. NMFC was in compliance with the terms of the 2018A Indenture and 2018C Indenture on such date.

**Unsecured Notes**— On June 30, 2017, the Company issued \$55,000 in aggregate principal amount of five-year unsecured notes that matured on July 15, 2022 (the "2017A Unsecured Notes"), pursuant to the NPA and a supplement to the NPA. On July 15, 2022, the Company caused notices to be issued to holders of the Company's 2017A Unsecured Notes regarding the exercise of the Company's option to repay all of the Company's \$55,000 in aggregate principal amount of issued and outstanding 2017A Unsecured Notes, which was repaid on July 14, 2022. On January 30, 2018, the Company issued

\$90,000 in aggregate principal amount of five year unsecured notes that matured on January 30, 2023 (the "2018A Unsecured Notes") pursuant to the NPA and a second supplement to the NPA. On January 30, 2023, the Company caused notices to be issued to holders of the Company's 2018A Unsecured Notes regarding the exercise of the Company's option to repay all of the Company's \$90,000 in aggregate principal amount of issued and outstanding 2018A Unsecured Notes, which was repaid on January 27, 2023. On July 5, 2018, the Company issued \$50,000 in aggregate principal amount of five year unsecured notes that mature on June 28, 2023 (the "2018B Unsecured Notes") pursuant to the NPA and a third supplement to the NPA (the "Third Supplement"). On April 30, 2019, the Company issued \$116,500 in aggregate principal amount of five year unsecured notes that mature on April 30, 2024 (the "2019A Unsecured Notes") pursuant to the NPA and a fourth supplement to the NPA (the "Fourth Supplement"). On January 29, 2021, the Company issued \$200,000 in aggregate principal amount of five year unsecured notes that mature on January 29, 2026 (the "2021A Unsecured Notes") pursuant to the NPA and a fifth supplement to the NPA (the "Fifth Supplement"). On June 15, 2022, the Company issued \$75,000 in aggregate principal amount of five year unsecured notes that mature on June 15, 2027 (the "2022A Unsecured Notes") pursuant to the NPA and a sixth supplement to the NPA (the "Sixth Supplement"). The NPA provides for future issuances of unsecured notes in separate series or tranches.

The 2017A Unsecured Notes bore interest at an annual rate of 4.760%, payable semi-annually on January 15 and July 15 of each year. The 2018A Unsecured Notes bore interest at an annual rate of 4.870%, payable semi-annually on February 15 and August 15 of each year. The 2018B Unsecured Notes bear interest at an annual rate of 5.360%, payable semi-annually on January 15 and July 15 of each year. The 2019A Unsecured Notes bear interest at an annual rate of 6.494%, payable semi-annually on April 15 and October 15 of each year. The 2021A Unsecured Notes bear interest at an annual rate of 3.875%, payable semi-annually in arrears on January 29 and July 29 of each year. The 2022A Unsecured Notes bear interest at an annual rate of 5.900%, payable semi-annually in arrears on June 15 and December 15 of each year, which commenced on December 14, 2022. These interest rates are subject to increase in the event that: (i) subject to certain exceptions, the underlying unsecured notes or the Company ceases to have an investment grade rating or (ii) the aggregate amount of the Company's unsecured debt falls below \$150,000. In each such event, the Company has the option to offer to prepay the underlying unsecured notes at par, in which case holders of the underlying unsecured notes who accept the offer would not receive the increased interest rate. In addition, the Company is obligated to offer to prepay the underlying unsecured notes at par if the Investment Adviser, or an affiliate thereof, ceases to be the Company's investment adviser or if certain change in control events occur with respect to the Investment Adviser.

The NPA contains customary terms and conditions for unsecured notes issued in a private placement, including, without limitation, an option to offer to prepay all or a portion of the unsecured notes under its governance at par (plus a make-whole amount, if applicable), affirmative and negative covenants such as information reporting, maintenance of the Company's status as a BDC under the 1940 Act and a RIC under the Code, minimum stockholders' equity, minimum asset coverage ratio, and prohibitions on certain fundamental changes at the Company or any subsidiary guarantor, as well as customary events of default with customary cure and notice, including, without limitation, nonpayment, misrepresentation in a material respect, breach of covenant, cross-default under other indebtedness of the Company or certain significant subsidiaries, certain judgments and orders, and certain events of bankruptcy. The Third Supplement, Fourth Supplement, Fifth Supplement and Sixth Supplement all include additional financial covenants related to asset coverage as well as other terms.

The 2017A Unsecured Notes, 2018A Unsecured Notes, 2018B Unsecured Notes, 2019A Unsecured Notes, 2021A Unsecured Notes and 2022A Unsecured Notes (together, the "Unsecured Notes") are unsecured obligations and rank senior in right of payment to the Company's existing and future indebtedness, if any, that is expressly subordinated in right of payment to the Unsecured Notes; equal in right of payment to the Company's existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness (including existing unsecured indebtedness that the Company later secures) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by the Company's subsidiaries and financing vehicles.

The following table summarizes the interest expense and amortization of financing costs incurred on the Unsecured Notes for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Interest expense	\$ 5,667	\$ 5,958
Amortization of financing costs	\$ 209	\$ 199
Weighted average interest rate	4.8 %	4.7 %
Effective interest rate	5.0 %	4.8 %
Average debt outstanding	\$ 471,500	\$ 511,500

As of March 31, 2023 and December 31, 2022, the outstanding balance on the Unsecured Notes was \$441,500 and \$531,500, respectively, and the Company was in compliance with the terms of the NPA as of such dates, as applicable.

**SBA-guaranteed debentures**—On August 1, 2014 and August 25, 2017, respectively, SBIC I and SBIC II received licenses from the SBA to operate as SBICs.

The SBIC licenses allow SBICs to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse to the Company, interest only debentures with interest payable semi-annually and have a ten year maturity. The principal amount of SBA-guaranteed debentures is not required to be paid prior to maturity but may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with ten year maturities. The SBA, as a creditor, will have a superior claim to the assets of SBIC I and SBIC II over the Company's stockholders in the event SBIC I and SBIC II are liquidated or the SBA exercises remedies upon an event of default.

The maximum amount of borrowings available under current SBA regulations for a single licensee is \$150,000 as long as the licensee has at least \$75,000 in regulatory capital, receives a capital commitment from the SBA and has been through an examination by the SBA subsequent to licensing. In June 2018, legislation amended the 1958 Act by increasing the individual leverage limit from \$150,000 to \$175,000, subject to SBA approvals.

As of March 31, 2023 and December 31, 2022, SBIC I had regulatory capital of \$75,000 and \$75,000, respectively, and SBA-guaranteed debentures outstanding of \$150,000 and \$150,000, respectively. As of March 31, 2023 and December 31, 2022, SBIC II had regulatory capital of \$75,000 and \$75,000, respectively, and \$150,000 and \$150,000, respectively, of SBA-guaranteed debentures outstanding. The SBA-guaranteed debentures incur upfront fees of 3.435%, which consists of a 1.00% commitment fee and a 2.435% issuance discount, which are amortized over the life of the SBA-guaranteed debentures.

The following table summarizes the Company's SBA-guaranteed debentures as of March 31, 2023:

Issuance Date	Maturity Date	Debenture Amount	Interest Rate	SBA Annual Charge
<b>Fixed SBA-guaranteed debentures(1):</b>				
March 25, 2015	March 1, 2025	\$ 37,500	2.517 %	0.355 %
September 23, 2015	September 1, 2025	37,500	2.829 %	0.355 %
September 23, 2015	September 1, 2025	28,795	2.829 %	0.742 %
March 23, 2016	March 1, 2026	13,950	2.507 %	0.742 %
September 21, 2016	September 1, 2026	4,000	2.051 %	0.742 %
September 20, 2017	September 1, 2027	13,000	2.518 %	0.742 %
March 21, 2018	March 1, 2028	15,255	3.187 %	0.742 %
<b>Fixed SBA-guaranteed debentures(2):</b>				
September 19, 2018	September 1, 2028	15,000	3.548 %	0.222 %
September 25, 2019	September 1, 2029	19,000	2.283 %	0.222 %
March 25, 2020	March 1, 2030	41,000	2.078 %	0.222 %
March 25, 2020	March 1, 2030	24,000	2.078 %	0.275 %
September 23, 2020	September 1, 2030	51,000	1.034 %	0.275 %
<b>Total SBA-guaranteed debentures</b>		<b>\$ 300,000</b>		

- (1) SBA-guaranteed debentures are held in SBIC I.  
(2) SBA-guaranteed debentures are held in SBIC II.

Prior to pooling, the SBA-guaranteed debentures bear interest at an interim floating rate of LIBOR plus 0.30%. Once pooled, which occurs in March and September each year, the SBA-guaranteed debentures bear interest at a fixed rate that is set to the current 10-year treasury rate plus a spread at each pooling date.

The following table summarizes the interest expense and amortization of financing costs incurred on the SBA-guaranteed debentures for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Interest expense	\$ 1,998	\$ 1,998
Amortization of financing costs	\$ 247	\$ 247
Weighted average interest rate	2.7 %	2.7 %
Effective interest rate	3.0 %	3.0 %
Average debt outstanding	\$ 300,000	\$ 300,000

The SBIC program is designed to stimulate the flow of private investor capital into eligible small businesses, as defined by the SBA. Under SBA regulations, SBICs are subject to regulatory requirements, including making investments in SBA-eligible small businesses, investing at least 25.0% of its investment capital in eligible smaller enterprises (as defined under the 1958 Act), placing certain limitations on the financing terms of investments, regulating the types of financing, prohibiting investments in smaller businesses with certain characteristics or in certain industries and requiring capitalization thresholds that limit distributions to the Company. SBICs are subject to an annual periodic examination by an SBA examiner to determine the SBIC's compliance with the relevant SBA regulations and an annual financial audit of its financial statements that are prepared on a basis of accounting other than GAAP (such as ASC 820) by an independent auditor. As of March 31, 2023 and December 31, 2022, SBIC I and SBIC II were in compliance with SBA regulatory requirements.

**Leverage risk factors**—The Company utilizes and may utilize leverage to the maximum extent permitted by the law for investment and other general business purposes. The Company's lenders will have fixed dollar claims on certain assets that are superior to the claims of the Company's common stockholders, and the Company would expect such lenders to seek recovery against these assets in the event of a default. The use of leverage also magnifies the potential for gain or loss on amounts invested. Leverage may magnify interest rate risk (particularly on the Company's fixed-rate investments), which is the risk that the prices of portfolio investments will fall or rise if market interest rates for those types of securities rise or fall. As a result, leverage may cause greater changes in the Company's net asset value. Similarly, leverage may cause a sharper decline in the Company's income than if the Company had not borrowed. Such a decline could negatively affect the Company's ability to make distributions to its stockholders. Leverage is generally considered a speculative investment technique. The Company's ability to service any debt incurred will depend largely on financial performance and will be subject to prevailing economic conditions and competitive pressures.

**Note 8. Regulation**

The Company has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a RIC under Subchapter M of the Code. In order to continue to qualify and be subject to tax treatment as a RIC, among other things, the Company is generally required to timely distribute to its stockholders at least 90.0% of its investment company taxable income, as defined by the Code, for each year. The Company, among other things, intends to make and will continue to make the requisite distributions to its stockholders, which will generally relieve the Company from U.S. federal, state, and local income taxes (excluding excise taxes which may be imposed under the Code).

Additionally, as a BDC, the Company must not acquire any assets other than "qualifying assets" as defined in Section 55(a) of the 1940 Act unless, at the time the acquisition is made, at least 70.0% of its total assets are qualifying assets (with certain limited exceptions). In addition, the Company must offer to make available to all "eligible portfolio companies" (as defined in the 1940 Act) significant managerial assistance.

**Note 9. Commitments and Contingencies**

In the normal course of business, the Company may enter into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company may also enter into future funding commitments such as revolving credit facilities, bridge financing commitments or delayed draw commitments. As of March 31, 2023, the Company had unfunded commitments on revolving credit facilities of \$107,125, no outstanding bridge financing commitments and other future funding commitments of \$109,064. As of December 31, 2022, the Company had unfunded commitments on revolving credit facilities of \$100,315, no outstanding bridge financing commitments and other future funding commitments of \$123,748. The unfunded commitments on revolving credit facilities and delayed draws are disclosed on the Company's Consolidated Schedules of Investments.

The Company also had revolving borrowings available under the Holdings Credit Facility, the DB Credit Facility, the NMFC Credit Facility, the Unsecured Management Company Revolver and the NMNLC Credit Facility II as of March 31, 2023 and December 31, 2022. See Note 7. *Borrowings*, for details.

The Company may from time to time enter into financing commitment letters. As of March 31, 2023 and December 31, 2022, the Company had commitment letters to purchase investments in the aggregate par amount of \$4,858 and \$45,634, respectively, which could require funding in the future.

**Note 10. Net Assets**

The table below illustrates the effect of certain transactions on the net asset accounts of the Company during the three months ended March 31, 2023:

	Common Stock		Paid in Capital in Excess of Par	Accumulated Overdistributed Earnings			Total Net Assets of NMFC	Non- Controlling Interest in NMNLC	Total Net Assets
	Shares	Par Amount		Accumulated Net Investment Income	Accumulated Net Realized (Losses) Gains	Net Unrealized Appreciation (Depreciation)			
	Net assets at December 31, 2022	100,937,026		\$ 1,009	\$ 1,305,945	\$ 147,593			
Issuances of common stock	—	—	—	—	—	—	—	—	—
Offering costs	—	—	(56)	—	—	—	(56)	—	(56)
Distributions declared	—	—	—	(32,300)	—	—	(32,300)	(153)	(32,453)
Net increase in net assets resulting from operations	—	—	—	38,113	677	5,783	44,573	239	44,812
Net assets at March 31, 2023	100,937,026	\$ 1,009	\$ 1,305,889	\$ 153,406	\$ (67,395)	\$ (66,219)	\$ 1,326,690	\$ 11,804	\$ 1,338,494

The table below illustrates the effect of certain transactions on the net asset accounts of the Company during the three months ended March 31, 2022:

	Common Stock		Paid in Capital in Excess of Par	Accumulated Undistributed (Overdistributed) Earnings			Total Net Assets of NMFC	Non-Controlling Interest in NMNLC	Total Net Assets
	Shares	Par Amount		Accumulated Net Investment Income	Accumulated Net Realized (Losses) Gains	Net Unrealized Appreciation (Depreciation)			
	Net assets at December 31, 2021	97,907,441		\$ 979	\$ 1,272,796	\$ 118,330			
Issuances of common stock	1,591,121	16	21,556	—	—	—	21,572	—	21,572
Offering costs	—	—	(52)	—	—	—	(52)	—	(52)
Distributions declared	—	—	—	(29,589)	—	—	(29,589)	(3,750)	(33,339)
Net increase (decrease) in net assets resulting from operations	—	—	—	29,573	17,596	(10,977)	36,192	855	37,047
Net assets at March 31, 2022	99,498,562	\$ 995	\$ 1,294,300	\$ 118,314	\$ (74,503)	\$ 10,262	\$ 1,349,368	\$ 18,472	\$ 1,367,840

On November 3, 2021, the Company entered into an equity distribution agreement (the “Distribution Agreement”) with B. Riley Securities, Inc. and Raymond James & Associates, Inc. (collectively, the “Agents”). The Distribution Agreement provides that the Company may issue and sell its shares from time to time through the Agents, up to \$250,000 worth of its common stock by means of at-the-market (“ATM”) offerings.

For the three months ended March 31, 2023, the Company did not sell any shares of common stock under the Distribution Agreement. For the three months ended March 31, 2022, the Company sold 1,511,836 shares of common stock under the Distribution Agreement. For the three months ended March 31, 2022, the Company received total accumulated net proceeds of approximately \$20,474, including \$295 of offering expenses, from these sales.

The Company generally uses net proceeds from these ATM offerings to make investments, to pay down liabilities and for general corporate purposes. As of March 31, 2023, shares representing approximately \$196,938 of its common stock remain available for issuance and sale under the Distribution Agreement.

**Note 11. Earnings Per Share**

The following information sets forth the computation of basic and diluted net increase in the Company's net assets per share resulting from operations for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
<b>Earnings per share—basic</b>		
Numerator for basic earnings per share:	\$ 44,573	\$ 36,192
Denominator for basic weighted average share:	100,937,026	98,413,476
Basic earnings per share:	\$ 0.44	\$ 0.37
<b>Earnings per share—diluted(1)</b>		
Numerator for increase in net assets per share	\$ 44,573	\$ 36,192
Adjustment for interest on Convertible Notes and incentive fees, net	4,513	2,314
Numerator for diluted earnings per share:	\$ 49,086	\$ 38,506
Denominator for basic weighted average share	100,937,026	98,413,476
Adjustment for dilutive effect of Convertible Notes	22,654,406	13,257,586
Denominator for diluted weighted average share	123,591,432	111,671,062
Diluted earnings per share:	\$ 0.40	\$ 0.34

- (1) In applying the if-converted method, conversion is not assumed for purposes of computing diluted earnings per share if the effect would be anti-dilutive. For the three months ended March 31, 2023 and March 31, 2022, there was no anti-dilution.



**Note 12. Financial Highlights**

The following information sets forth the Company's financial highlights for the three months ended March 31, 2023 and March 31, 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Per share data(1):		
Net asset value, January 1, 2023 and January 1, 2022, respectively	\$ 13.02	\$ 13.49
Net investment income	0.38	0.30
Net realized and unrealized gains	0.06	0.07
Total net increase	0.44	0.37
Distributions declared to stockholders from net investment income	(0.32)	(0.30)
Net asset value, March 31, 2023 and March 31, 2022, respectively	\$ 13.14	\$ 13.56
Per share market value, March 31, 2023 and March 31, 2022, respectively	\$ 12.17	\$ 13.85
Total return based on market value(2)	0.94 %	3.28 %
Total return based on net asset value(3)	3.39 %	2.76 %
Shares outstanding at end of period	100,937,026	99,498,562
Average weighted shares outstanding for the period	100,937,026	98,413,476
Average net assets for the period	\$ 1,314,609	\$ 1,321,557
Ratio to average net assets(4):		
Net investment income	11.76 %	9.08 %
Total expenses, before waivers/reimbursements	16.85 %	12.38 %
Total expenses, net of waivers/reimbursements	16.52 %	11.98 %
Average debt outstanding—Holdings Credit Facility	\$ 634,146	\$ 550,063
Average debt outstanding—Unsecured Notes	471,500	511,500
Average debt outstanding—SBA-guaranteed debentures	300,000	300,000
Average debt outstanding—DB Credit Facility	186,400	237,267
Average debt outstanding—Convertible Notes	328,816	201,250
Average debt outstanding—NMFC Credit Facility(5)	101,025	152,570
Average debt outstanding—NMNLC Credit Facility II	2,973	15,200
Asset coverage ratio(6)	177.55 %	181.26 %
Portfolio turnover	2.10 %	2.94 %

- (1) Per share data is based on weighted average shares outstanding for the respective period (except for distributions declared to stockholders, which is based on actual rate per share).
- (2) Total return is calculated assuming a purchase of common stock at the opening of the first day of the year and a sale on the closing of the last business day of the period. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Company's dividend reinvestment plan. Total return does not reflect sales load.
- (3) Total return is calculated assuming a purchase at net asset value on the opening of the first day of the year and a sale at net asset value on the last day of the period. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at the net asset value on the last day of the respective quarter. Total return does not reflect sales load.
- (4) Interim periods are annualized.
- (5) Under the NMFC Credit Facility, the Company may borrow in U.S. dollars or certain other permitted currencies. As of March 31, 2023 and March 31, 2022, the Company had borrowings denominated in GBP of £22,850 and £17,400, respectively, and borrowings denominated in EUR of €700 and €0, respectively, that have been converted to U.S. dollars.
- (6) On November 5, 2014, the Company received exemptive relief from the SEC allowing the Company to modify the asset coverage requirement to exclude the SBA-guaranteed debentures from this calculation.

**Note 13. Recent Accounting Standards Updates**

In March 2020, the Financial Accounting Standards Board (the "FASB") issued ASU 2020-04, Reference Rate Reform. The amendments in ASU 2020-04 provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The standard is effective as of March 12, 2020 through December 31, 2022. Management is currently evaluating the impact of the optional guidance on the Company's consolidated financial statements and disclosures. The Company did not utilize the optional expedients and exceptions provided by ASU 2020-04 during the quarter ended March 31, 2023. In December 2022, the FASB issued ASU No. 2022-06, Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, which deferred the sunset day of this guidance to December 31, 2024. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In December 2020, the U.S. Securities and Exchange Commission (the "SEC") adopted a rule providing a framework for fund valuation practices. Rule 2a-5 under the 1940 Act ("Rule 2a-5") establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Rule 2a-5 permits boards, subject to board oversight and certain other conditions, to designate certain parties to perform fair value determinations. Rule 2a-5 also defines when market quotations are "readily available" for purposes of the 1940 Act and the threshold for determining whether a fund must determine the fair value of a security. The SEC also adopted Rule 31a-4 under the 1940 Act ("Rule 31a-4"), which provides the recordkeeping requirements associated with fair value determinations. Finally, the SEC rescinded previously issued guidance on related issues, including the role of the board in determining fair value and the accounting and auditing of fund investments. Rule 2a-5 and Rule 31a-4 became effective on March 8, 2021, and had a compliance date of September 8, 2022. While our board of directors has not elected to designate the Investment Adviser as the valuation designee, the Company has adopted certain revisions to its valuation policies and procedures in order comply with the applicable requirements of Rule 2a-5 and Rule 31a-4.

**Note 14. Subsequent Events**

On April 25, 2023, the Company's board of directors declared a regular second quarter 2023 distribution of \$0.32 per share and a supplemental distribution related to Q1 earnings of \$0.03 per share, each payable on June 30, 2023 to holders of record as of June 16, 2023.

On April 25, 2023, Alice W. Handy notified the Company's board of directors that she was resigning as a director, effective immediately. In submitting her resignation, Ms. Handy did not express any disagreement on any matter relating to the Company's operations, policies or practices. The Nominating and Corporate Governance Committee of the board of directors has been actively searching for Ms. Handy's successor in accordance with its policies and procedures, and expects to appoint a new director in the near future.



**Deloitte & Touche LLP**

30 Rockefeller Plaza  
New York, NY 10112  
USA

Tel: 212 492 4000  
Fax: 212 489 1687  
[www.deloitte.com](http://www.deloitte.com)

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the shareholders and the Board of Directors of New Mountain Finance Corporation

**Results of Review of Interim Financial Information**

We have reviewed the accompanying consolidated statement of assets and liabilities of New Mountain Finance Corporation and subsidiaries (the "Company"), including the consolidated schedule of investments, as of March 31, 2023, and the related consolidated statements of operations, changes in net assets, and cash flows for the three-month periods ended March 31, 2023 and 2022, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of assets and liabilities of the Company, including the consolidated schedule of investments, as of December 31, 2022, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended (not presented herein); and in our report dated February 27, 2023, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated statement of assets and liabilities as of December 31, 2022, is fairly stated, in all material respects, in relation to the consolidated statement of assets and liabilities from which it has been derived.

**Basis for Review Results**

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

May 8, 2023

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information in management's discussion and analysis of financial condition and results of operations relates to New Mountain Finance Corporation, including its wholly-owned direct and indirect subsidiaries (collectively, "we", "us", "our", "NMFC" or the "Company").

### Forward-Looking Statements

The information contained in this section should be read in conjunction with the financial data and consolidated financial statements and notes thereto appearing elsewhere in this report. Some of the statements in this report (including in the following discussion) constitute forward-looking statements, which relate to future events or our future performance or our financial condition. The forward-looking statements contained in this section involve a number of risks and uncertainties, including:

- statements concerning the impact of a protracted decline in the liquidity of credit markets;
- the general economy, including interest and inflation rates, on the industries in which we invest;
- the impact of interest rate volatility, including the decommissioning of LIBOR and rising interest rates, on our business and our portfolio companies;
- our future operating results, our business prospects, the adequacy of our cash resources and working capital;
- the ability of our portfolio companies to achieve their objectives;
- our ability to make investments consistent with our investment objectives, including with respect to the size, nature and terms of our investments;
- the ability of New Mountain Finance Advisers BDC, L.L.C. (the "Investment Adviser") or its affiliates to attract and retain highly talented professionals;
- actual and potential conflicts of interest with the Investment Adviser and New Mountain Capital Group, L.P. (together with New Mountain Capital, L.L.C. and its affiliates, "New Mountain Capital") whose ultimate owners include Steven B. Klinsky, other current and former New Mountain Capital professionals and related vehicles and a minority investor.; and
- the risk factors set forth in *Item 1A.—Risk Factors* contained in our Annual Report on Form 10-K for the year ended December 31, 2022 and in this Quarterly Report on Form 10-Q.

Forward-looking statements are identified by their use of such terms and phrases such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "potential", "project", "seek", "should", "target", "will", "would" or similar expressions. Actual results could differ materially from those projected in the forward-looking statements for any reason, including the factors set forth in *Item 1A.—Risk Factors* contained in our Annual Report on Form 10-K for the year ended December 31, 2022 and in this Quarterly Report on Form 10-Q.

We have based the forward-looking statements included in this report on information available to us on the date of this report. We assume 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. Although we undertake no obligation to revise or update any forward-looking statements, you are advised to consult any additional disclosures that we may make directly to you or through reports that we have filed or in the future may file with the U.S. Securities and Exchange Commission (the "SEC"), including annual reports on Form 10-K, registration statements on Form N-2, quarterly reports on Form 10-Q and current reports on Form 8-K.

### Overview

We are a Delaware corporation that was originally incorporated on June 29, 2010 and completed our initial public offering ("IPO") on May 19, 2011. We are a closed-end, non-diversified management investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). We have elected to be treated, and intend to comply with the requirements to continue to qualify annually, as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). Since our IPO, and through March 31, 2023, we raised approximately \$945.6 million in net proceeds from additional offerings of our common stock.

The Investment Adviser is a wholly-owned subsidiary of New Mountain Capital. New Mountain Capital is a firm with a track record of investing in the middle market. New Mountain Capital focuses on investing in defensive growth companies across its private equity, credit and net lease investment strategies. The Investment Adviser manages our day-to-day operations and provides us with investment advisory and management services. The Investment Adviser also manages other funds that

may have investment mandates that are similar, in whole or in part, to ours. New Mountain Finance Administration, L.L.C. (the "Administrator"), a wholly-owned subsidiary of New Mountain Capital, provides the administrative services necessary to conduct our day-to-day operations.

We have established the following wholly-owned direct and indirect subsidiaries:

- New Mountain Finance Holdings, L.L.C. ("NMF Holdings") and New Mountain Finance DB, L.L.C. ("NMFDB"), whose assets are used to secure NMF Holdings' credit facility and NMFDB's credit facility, respectively;
- New Mountain Finance SBIC, L.P. ("SBIC I") and New Mountain Finance SBIC II, L.P. ("SBIC II"), who have received licenses from the U.S. Small Business Administration ("SBA") to operate as small business investment companies ("SBICs") under Section 301(c) of the Small Business Investment Act of 1958, as amended (the "1958 Act") and their general partners, New Mountain Finance SBIC G.P., L.L.C. ("SBIC I GP") and New Mountain Finance SBIC II G.P., L.L.C. ("SBIC II GP"), respectively;
- NMF Ancora Holdings, Inc. ("NMF Ancora"), NMF QID NGL Holdings, Inc. ("NMF QID"), NMF YP Holdings, Inc. ("NMF YP"), NMF Permian Holdings, LLC ("NMF Permian"), NMF HB, Inc. ("NMF HB"), NMF TRM, LLC ("NMF TRM"), NMF Pioneer, Inc. ("NMF Pioneer") and NMF OEC, Inc. ("NMF OEC"), which serve as tax blocker corporations by holding equity or equity-like investments in portfolio companies organized as limited liability companies (or other forms of pass-through entities); we consolidate our tax blocker corporations for accounting purposes but the tax blocker corporations are not consolidated for income tax purposes and may incur income tax expense as a result of their ownership of the portfolio companies; and
- New Mountain Finance Servicing, L.L.C. ("NMF Servicing"), which serves as the administrative agent on certain investment transactions.

New Mountain Net Lease Corporation ("NMNLC") is a majority-owned consolidated subsidiary of ours, which acquires commercial real estate properties that are subject to "triple net" leases has elected to be treated, and intends to comply with the requirements to continue to qualify annually, as a real estate investment trust, or REIT, within the meaning of Section 856(a) of the Code.

Our investment objective is to generate current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure, primarily consisting of senior secured loans, and select junior capital positions, to growing businesses in defensive industries that offer attractive risk-adjusted returns. The first lien debt may include traditional first lien senior secured loans or unitranche loans. Unitranche loans combine characteristics of traditional first lien senior secured loans as well as second lien and subordinated loans. In some cases, our investments may also include equity interests.

Our primary focus is 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) niche market dominance. Similar to us, SBIC I's and SBIC II's investment objectives are to generate current income and capital appreciation under our investment criteria. However, SBIC I's and SBIC II's investments must be in SBA-eligible small businesses. Our portfolio may be concentrated in a limited number of industries. As of March 31, 2023, our top five industry concentrations were software, business services, healthcare, investment funds (which includes our investments in our joint ventures) and education.

As of March 31, 2023, our net asset value was approximately \$1,326.7 million and our portfolio had a fair value, as determined in good faith by the board of directors, of approximately \$3,270.3 million in 111 portfolio companies, with a weighted average yield to maturity at cost for income producing investments ("YTM at Cost") of approximately 10.9% and a weighted average yield to maturity at cost for all investments ("YTM at Cost for Investments") of approximately 9.8%. The YTM at Cost calculation assumes that all investments, including secured collateralized agreements, not on non-accrual are purchased at cost on the quarter end date and held until their respective maturities with no prepayments or losses and exited at par at maturity. The YTM at Cost for Investments calculation assumes that all investments, including secured collateralized agreements, are purchased at cost on the quarter end date and held until their respective maturities with no prepayments or losses and exited at par at maturity. YTM at Cost and YTM at Cost for Investments calculations exclude the impact of existing leverage. YTM at Cost and YTM at Cost for Investments use the London Interbank Offered Rate ("LIBOR"), Sterling Overnight Interbank Average Rate ("SONIA"), Secured Overnight Financing Rate ("SOFR") and Euro Interbank Offered Rate ("EURIBOR") curves at each quarter's end date. The actual yield to maturity may be higher or lower due to the future selection of the LIBOR, SONIA, SOFR and EURIBOR contracts by the individual companies in our portfolio or other factors.

#### **Recent Developments**

On April 25, 2023, our board of directors declared a second quarter 2023 distribution of \$0.32 per share and a supplemental distribution related to Q1 earnings of \$0.03 per share, each payable on June 30, 2023 to holders of record as of June 16, 2023.

On April 25, 2023, Alice W. Handy notified our board of directors that she was resigning as a director, effective immediately. In submitting her resignation, Ms. Handy did not express any disagreement on any matter relating to our operations, policies or practices. The Nominating and Corporate Governance Committee of our board of directors has been actively searching for Ms. Handy's successor in accordance with its policies and procedures, and expects to appoint a new director in the near future.

### **Critical Accounting Estimates**

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States ("GAAP") 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.

#### ***Basis of Accounting***

We consolidate our wholly-owned direct and indirect subsidiaries: NMF Holdings, NMF Servicing, NMFDB, SBIC I, SBIC I GP, SBIC II, SBIC II GP, NMF Ancora, NMF QID, NMF YP, NMF Permian, NMF HB, NMF TRM, NMF Pioneer and NMF OEC and our majority-owned consolidated subsidiary, NMNLC. We are an investment company following accounting and reporting guidance as described in Accounting Standards Codification Topic 946, *Financial Services—Investment Companies* ("ASC 946").

#### ***Valuation and Leveling of Portfolio Investments***

At all times consistent with GAAP and the 1940 Act, we conduct a valuation of our assets, which impacts our net asset value.

We value our assets on a quarterly basis, or more frequently if required under the 1940 Act. In all cases, our board of directors is ultimately and solely responsible for determining the fair value of our portfolio investments on a quarterly basis in good faith, including investments that are not publicly traded, those whose market prices are not readily available and any other situation where our portfolio investments require a fair value determination. Security transactions are accounted for on a trade date basis. Our quarterly valuation procedures are set forth in more detail below:

- (1) Investments for which market quotations are readily available on an exchange are valued at such market quotations based on the closing price indicated from independent pricing services.
- (2) Investments for which indicative prices are obtained from various pricing services and/or brokers or dealers are valued through a multi-step valuation process, as described below, to determine whether the quote(s) obtained is representative of fair value in accordance with GAAP.
  - a. Bond quotes are obtained through independent pricing services. Internal reviews are performed by the investment professionals of the Investment Adviser to ensure that the quote obtained is representative of fair value in accordance with GAAP and, if so, the quote is used. If the Investment Adviser is unable to sufficiently validate the quote(s) internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below); and
  - b. For investments other than bonds, we look at the number of quotes readily available and perform the following procedures:
    - i. Investments for which two or more quotes are received from a pricing service are valued using the mean of the mean of the bid and ask of the quotes obtained. We will evaluate the reasonableness of the quote, and if the quote is determined to not be representative of fair value, we will use one or more of the methodologies outlined below to determine fair value;
    - ii. Investments for which one quote is received from a pricing service are validated internally. The investment professionals of the Investment Adviser analyze the market quotes obtained using an array of valuation methods (further described below) to validate the fair value. If the Investment Adviser is unable to sufficiently validate the quote internally and if the investment's par value or its fair value exceeds the materiality threshold, the investment is valued similarly to those assets with no readily available quotes (see (3) below).
- (3) Investments for which quotations are not readily available through exchanges, pricing services, brokers, or dealers are valued through a multi-step valuation process:

- a. Each portfolio company or investment is initially valued by the investment professionals of the Investment Adviser responsible for the credit monitoring;
- b. Preliminary valuation conclusions will then be documented and discussed with our senior management;
- c. If an investment falls into (3) above for four consecutive quarters and if the investment's par value or its fair value exceeds the materiality threshold, then at least once each fiscal year, the valuation for each portfolio investment for which we do not have a readily available market quotation will be reviewed by an independent valuation firm engaged by our board of directors; and
- d. When deemed appropriate by our management, an independent valuation firm may be engaged to review and value investment(s) of a portfolio company, without any preliminary valuation being performed by the Investment Adviser. The investment professionals of the Investment Adviser will review and validate the value provided.

For investments in revolving credit facilities and delayed draw commitments, the cost basis of the funded investments purchased is offset by any costs/netbacks received for any unfunded portion on the total balance committed. The fair value is also adjusted for the price appreciation or depreciation on the unfunded portion. As a result, the purchase of a commitment not completely funded may result in a negative fair value until it is called and funded.

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. 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 our investments may fluctuate from period to period and the fluctuations could be material.

GAAP fair value measurement guidance classifies the inputs used in measuring fair value into three levels as follows:

Level I—Quoted prices (unadjusted) are available in active markets for identical investments and we have the ability to access such quotes as of the reporting date. The type of investments which would generally be included in Level I include active exchange-traded equity securities and exchange-traded derivatives. As required by Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), we, to the extent that we hold such investments, do not adjust the quoted price for these investments, even in situations where we 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. Level II inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including foreign exchange forward contracts); and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

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 used to measure fair value may fall into different levels. In all instances when the inputs fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level of input that is significant to the fair value measurement in its entirety. As such, a Level III fair value measurement may include inputs that are both observable and unobservable. Gains and losses for such assets categorized within the Level III table below may include changes in fair value that are attributable to both observable inputs and unobservable inputs.

The inputs into the determination of fair value require significant judgment or estimation by management and consideration of factors specific to each investment. 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 transfer of certain investments within the fair value hierarchy from period to period.

See *Item 1.—Financial Statements and Supplementary Data—Note 4. Fair Value* in this Quarterly Report on Form 10-Q for additional information on fair value hierarchy as of March 31, 2023.

We generally use the following framework when determining the fair value of investments where there are little, if any, market activity or observable pricing inputs. We typically determine the fair value of our performing debt investments utilizing an income approach. Additional consideration is given using a market based approach, as well as reviewing the overall underlying portfolio company's performance and associated financial risks. The following outlines additional details on the approaches considered:

**Company Performance, Financial Review, and Analysis:** Prior to investment, as part of our due diligence process, we evaluate the overall performance and financial stability of the portfolio company. Post investment, we analyze each portfolio company's current operating performance and relevant financial trends versus prior year and budgeted results, including, but not limited to, factors affecting its revenue and earnings before interest, taxes, depreciation, and amortization ("EBITDA") growth, margin trends, liquidity position, covenant compliance and changes to its capital structure. We also attempt to identify and subsequently track any developments at the portfolio company, within its customer or vendor base or within the industry or the macroeconomic environment, generally, that may alter any material element of our original investment thesis. This analysis is specific to each portfolio company. We leverage the knowledge gained from our original due diligence process, augmented by this subsequent monitoring, to continually refine our outlook for each of our portfolio companies and ultimately form the valuation of our investment in each portfolio company. When an external event such as a purchase transaction, public offering or subsequent sale occurs, we will consider the pricing indicated by the external event to corroborate the private valuation.

For debt investments, we may employ the Market Based Approach (as described below) to assess the total enterprise value of the portfolio company, in order to evaluate the enterprise value coverage of our debt investment. For equity investments or in cases where the Market Based Approach implies a lack of enterprise value coverage for the debt investment, we may additionally employ a discounted cash flow analysis based on the free cash flows of the portfolio company to assess the total enterprise value. After enterprise value coverage is demonstrated for our debt investments through the method(s) above, the Income Based Approach (as described below) may be employed to estimate the fair value of the investment.

**Market Based Approach:** We may estimate the total enterprise value of each portfolio company by utilizing EBITDA or revenue multiples of publicly traded comparable companies and comparable transactions. We consider numerous factors when selecting the appropriate companies whose trading multiples are used to value our portfolio companies. These factors include, but are not limited to, the type of organization, similarity to the business being valued, and relevant risk factors, as well as size, profitability and growth expectations. We may apply an average of various relevant comparable company EBITDA or revenue multiples to the portfolio company's latest twelve month ("LTM") EBITDA or revenue, or projected EBITDA or revenue to calculate the enterprise value of the portfolio company. Significant increases or decreases in the EBITDA or revenue multiples will result in an increase or decrease in enterprise value, which may result in an increase or decrease in the fair value estimate of the investment.

**Income Based Approach:** We also may use a discounted cash flow analysis to estimate the fair value of the investment. Projected cash flows represent the relevant security's contractual interest, fee and principal payments plus the assumption of full principal recovery at the investment's expected maturity date. These cash flows are discounted at a rate established utilizing a combination of a yield calibration approach and a comparable investment approach. The yield calibration approach incorporates changes in the credit quality (as measured by relevant statistics) of the portfolio company, as compared to changes in the yield associated with comparable credit quality market indices, between the date of origination and the valuation date. The comparable investment approach utilizes an average yield-to maturity of a selected set of high-quality, liquid investments to determine a comparable investment discount rate. Significant increases or decreases in the discount rate would result in a decrease or increase in the fair value measurement.

See *Item 1.—Financial Statements and Supplementary Data—Note 4. Fair Value* in this Quarterly Report on Form 10-Q for additional information on unobservable inputs used in the fair value measurement of our Level III investments as of March 31, 2023.

#### **NMFC Senior Loan Program III LLC**

NMFC Senior Loan Program III LLC ("SLP III") was formed as a Delaware limited liability company and commenced operations on April 25, 2018. SLP III is structured as a private joint venture investment fund between us and SkyKnight Income II, LLC ("SkyKnight II") and operates under a limited liability company agreement (the "SLP III Agreement"). The purpose of the joint venture is to invest primarily in senior secured loans issued by portfolio companies within our core industry verticals. These investments are typically broadly syndicated first lien loans. All investment decisions must be unanimously approved by the board of managers of SLP III, which has equal representation from us and SkyKnight II. SLP III has a five year investment period and will continue in existence until April 25, 2025. The investment period may be extended for up to one year pursuant to certain terms of the SLP III Agreement.

SLP III is capitalized with equity contributions which are called from its members, on a pro-rata basis based on their equity commitments, as transactions are completed. Any decision by SLP III to call down on capital commitments requires approval by the board of managers of SLP III. As of March 31, 2023, we and SkyKnight II have committed and contributed



\$140.0 million and \$35.0 million, respectively, of equity to SLP III. Our investment in SLP III is disclosed on our Consolidated Schedule of Investments as of March 31, 2023 and December 31, 2022.

On May 2, 2018, SLP III entered into its revolving credit facility with Citibank, N.A., which matures on January 8, 2026. Effective July 8, 2021, the reinvestment period was extended to July 8, 2024. As of the most recent amendment on July 8, 2021, during the reinvestment period the credit facility bears interest at a rate of LIBOR plus 1.60% and after the reinvestment period it will bear interest at a rate of LIBOR plus 1.90%. Effective November 23, 2020, SLP III's revolving credit facility has a maximum borrowing capacity of \$525.0 million. As of March 31, 2023 and December 31, 2022, SLP III had total investments with an aggregate fair value of approximately \$651.1 million and \$639.3 million, respectively, and debt outstanding under its credit facility of \$498.0 million and \$512.1 million, respectively. As of March 31, 2023 and December 31, 2022, none of SLP III's investments were on non-accrual. Additionally, as of March 31, 2023 and December 31, 2022, SLP III had unfunded commitments in the form of delayed draws of \$2.0 million and \$2.9 million, respectively.

Below is a summary of SLP III's portfolio as of March 31, 2023 and December 31, 2022:

(in thousands)	March 31, 2023	December 31, 2022
First lien investments (1)	\$ 694,046	\$ 690,017
Weighted average interest rate on first lien investments (2)	9.09 %	8.51 %
Number of portfolio companies in SLP III	86	83
Largest portfolio company investment (1)	\$ 18,149	\$ 18,197
Total of five largest portfolio company investments (1)	\$ 85,727	\$ 85,948

(1) Reflects principal amount or par value of investment.

(2) Computed as the all in interest rate in effect on accruing investments divided by the total principal amount of investments.

See *Item 1.—Financial Statements and Supplementary Data—Note 3. Investments* in this Quarterly Report on Form 10-Q for a listing of the individual investments in SLP III's portfolio as of March 31, 2023 and December 31, 2022 and additional information on certain summarized financial information for SLP III as of March 31, 2023 and December 31, 2022 and for the three months ended March 31, 2023 and March 31, 2022.

#### **NMFC Senior Loan Program IV LLC**

NMFC Senior Loan Program IV LLC ("SLP IV") was formed as a Delaware limited liability company on April 6, 2021, and commenced operations on May 5, 2021. SLP IV is structured as a private joint venture investment fund between us and SkyKnight Income Alpha, LLC ("SkyKnight Alpha") and operates under the First Amended and Restated Limited Liability Company Agreement of NMFC Senior Loan Program IV LLC (the "SLP IV Agreement"). Upon the effectiveness of the SLP IV Agreement dated May 5, 2021, the members contributed their respective membership interests in NMFC Senior Loan Program I LLC ("SLP I") and NMFC Senior Loan Program II LLC ("SLP II") to SLP IV. Immediately following the contribution of their membership interests, SLP I and SLP II became wholly-owned subsidiaries of SLP IV. The purpose of the joint venture is to invest primarily in senior secured loans issued by portfolio companies within our core industry verticals. These investments are typically broadly syndicated first lien loans. All investment decisions must be unanimously approved by the board of managers of SLP IV, which has equal representation from us and SkyKnight Alpha. SLP IV has a five year investment period and will continue in existence until May 5, 2028. The investment period may be extended for up to one year pursuant to certain terms of the SLP IV Agreement.

SLP IV is capitalized with equity contributions which were transferred and contributed from its members. As of March 31, 2023, we and SkyKnight Alpha have transferred and contributed \$112.4 million and \$30.6 million, respectively, of their membership interests in SLP I and SLP II to SLP IV. Our investment in SLP IV is disclosed on our Consolidated Schedule of Investments as of March 31, 2023 and December 31, 2022.

On May 5, 2021, SLP IV entered into a \$370.0 million revolving credit facility with Wells Fargo Bank, National Association which matures on May 5, 2026. As of the most recent amendment on April 28, 2023, the facility bears interest at a rate of SOFR plus 1.70%. Prior to the amendment on April 28, 2023, the facility bore interest at a rate of LIBOR plus 1.60% per annum. As of March 31, 2023 and December 31, 2022, SLP IV had total investments with an aggregate fair value of approximately \$477.7 million and \$473.8 million, respectively, and debt outstanding under its credit facility of \$355.9 million and \$365.5 million, respectively. As of March 31, 2023 and December 31, 2022, none of SLP IV's investments were on non-accrual. Additionally, as of March 31, 2023 and December 31, 2022, SLP IV had unfunded commitments in the form of delayed draws of \$1.0 million and \$2.0 million, respectively.

Below is a summary of SLP IV's consolidated portfolio as of March 31, 2023 and December 31, 2022:

(in thousands)	March 31, 2023	December 31, 2022
First lien investments (1)	\$ 509,213	\$ 510,372
Weighted average interest rate on first lien investments (2)	9.13 %	8.54 %
Number of portfolio companies in SLP IV	75	74
Largest portfolio company investment (1)	\$ 21,924	\$ 21,982
Total of five largest portfolio company investments (1)	\$ 93,539	\$ 93,734

(1) Reflects principal amount or par value of investment.

(2) Computed as the all in interest rate in effect on accruing investments divided by the total principal amount of investments.

See *Item 1.—Financial Statements and Supplementary Data—Note 3. Investments* in this Quarterly Report on Form 10-Q for a listing of the individual investments in SLP IV's consolidated portfolio as of March 31, 2023 and December 31, 2022 and additional information on certain summarized financial information for SLP IV as of March 31, 2023 and December 31, 2022 and for the three months ended March 31, 2023 and March 31, 2022.

#### ***New Mountain Net Lease Corporation***

NMNL was formed to acquire commercial real estate properties that are subject to "triple net" leases. NMNL's investments are disclosed on our Consolidated Schedule of Investments as of March 31, 2023.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNL 105,030 shares of NMNL's common stock at a price of \$107.73 per share, which represented the net asset value per share of NMNL at the date of purchase, for an aggregate purchase price of approximately \$11.3 million. Immediately thereafter, NMNL redeemed 105,030 shares of its common stock held by NMFC in exchange for a promissory note with a principal amount of \$11.3 million and a 7.0% interest rate, which was repaid by NMNL to NMFC on March 31, 2020.

Below is certain summarized property information for NMNL as of March 31, 2023:

Portfolio Company	Tenant	Lease Expiration Date	Location	Total Square Feet (in thousands)	Fair Value as of March 31, 2023 (in thousands)
NM NL Holdings LP / NM GP Holdco LLC	Various	Various	Various	Various	\$ 95,605
NM CLFX LP	Victor Equipment Company	8/31/2033	TX	423	15,437
NM YI, LLC	Young Innovations, Inc.	10/31/2039	IL / MO	212	9,581
					<u>\$ 120,623</u>

#### ***Collateralized agreements or repurchase financings***

We follow the guidance in Accounting Standards Codification Topic 860, *Transfers and Servicing—Secured Borrowing and Collateral* ("ASC 860") when accounting for transactions involving the purchases of securities under collateralized agreements to resell (resale agreements). These transactions are treated as collateralized financing transactions and are recorded at their contracted resale or repurchase amounts, as specified in the respective agreements. Interest on collateralized agreements is accrued and recognized over the life of the transaction and included in interest income. As of March 31, 2023 and December 31, 2022, we held one collateralized agreement to resell with a cost basis of \$30.0 million and \$30.0 million, respectively, and a fair value of \$16.5 million and \$16.5 million, respectively. The collateralized agreement to resell is on non-accrual. The collateralized agreement to resell is guaranteed by a private hedge fund, PPVA Fund, L.P. The private hedge fund is currently in liquidation under the laws of the Cayman Islands. Pursuant to the terms of the collateralized agreement, the private hedge fund was obligated to repurchase the collateral from us at the par value of the collateralized agreement. The private hedge fund has breached its agreement to repurchase the collateral under the collateralized agreement. The default by the private hedge fund did not release the collateral to us, therefore, we do not have full rights and title to the collateral. A claim has been filed with the Cayman Islands joint official liquidators to resolve this matter. The joint official liquidators have recognized our contractual rights under the collateralized agreement. We continue to exercise our rights under the collateralized agreement and continue to monitor the liquidation process of the private hedge fund. The fair value of the collateralized agreement to resell is reflective of the increased risk of the position.

### **PPVA Black Elk (Equity) LLC**

On May 3, 2013, we entered into a collateralized securities purchase and put agreement (the “SPP Agreement”) with a private hedge fund. Under the SPP Agreement, we purchased twenty million Class E Preferred Units of Black Elk Energy Offshore Operations, LLC (“Black Elk”) for \$20.0 million with a corresponding obligation of the private hedge fund, PPVA Black Elk (Equity) LLC, to repurchase the preferred units for \$20.0 million plus other amounts due under the SPP Agreement. The majority owner of Black Elk was the private hedge fund. In August 2014, we received a payment of \$20.5 million, the full amount due under the SPP Agreement.

In August 2017, a trustee (the “Trustee”) for Black Elk informed us that the Trustee intended to assert a fraudulent conveyance claim (the “Claim”) against us and one of its affiliates seeking the return of the \$20.5 million repayment. Black Elk filed a Chapter 11 bankruptcy petition pursuant to the U.S. Bankruptcy Code in August 2015. The Trustee alleged that individuals affiliated with the private hedge fund conspired with Black Elk and others to improperly use proceeds from the sale of certain Black Elk assets to repay, in August 2014, the private hedge fund’s obligation to us under the SPP Agreement. We were unaware of these claims at the time the repayment was received. The private hedge fund is currently in liquidation under the laws of the Cayman Islands.

On December 22, 2017, we settled the Trustee’s \$20.5 million Claim for \$16.0 million and filed a claim with the Cayman Islands joint official liquidators of the private hedge fund for \$16.0 million that is owed to us under the SPP Agreement. The SPP Agreement was restored and is in effect since repayment has not been made. We continue to exercise our rights under the SPP Agreement and continue to monitor the liquidation process of the private hedge fund. During the year ended December 31, 2018, we received a \$1.5 million payment from our insurance carrier in respect to the settlement. As of March 31, 2023 and December 31, 2022, the SPP Agreement has a cost basis of \$14.5 million and \$14.5 million, respectively, and a fair value of \$8.0 million and \$8.0 million, respectively, which is reflective of the higher inherent risk in this transaction.

### **Revenue Recognition**

*Sales and paydowns of investments:* Realized gains and losses on investments are determined on the specific identification method.

*Interest and dividend 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. We have loans and certain preferred equity investments in the portfolio that contain a payment-in-kind (“PIK”) interest or dividend provision. PIK interest and dividends are accrued and recorded as income at the contractual rates, if deemed collectible. The PIK interest and dividends are added to the principal or share balances on the capitalization dates and are generally due at maturity or when redeemed by the issuer. For the three months ended March 31, 2023 and March 31, 2022, we recognized PIK and non-cash interest from investments of approximately \$9.0 million and \$8.5 million, respectively, and PIK and non-cash dividends from investments of approximately \$6.5 million and \$5.1 million, respectively.

Dividend income on common equity is recorded on the record date for private portfolio companies or on the ex-dividend date for publicly traded portfolio companies. Dividend income on preferred securities is recorded as dividend income on an accrual basis to the extent that such amounts are deemed collectible.

*Non-accrual income:* Investments are placed on non-accrual status when principal or interest payments are past due for 30 days or more and when there is reasonable doubt that principal or interest will be collected. Accrued cash and un-capitalized PIK interest or dividends are reversed when an investment is placed on non-accrual status. Previously capitalized PIK interest or dividends are not reversed when an investment is placed on non-accrual status. Interest or dividend payments received on non-accrual investments may be recognized as income or applied to principal depending upon management’s judgment of the ultimate collectibility. Non-accrual investments are restored to accrual status when past due principal and interest is paid and, in management’s judgment, are likely to remain current.

*Other income:* Other income represents delayed compensation, consent or amendment fees, revolver fees, structuring fees, upfront fees and other miscellaneous fees received and are typically non-recurring in nature. Delayed compensation is income earned from counterparties on trades that do not settle within a set number of business days after trade date. Other income may also include fees from bridge loans. We 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. A fee is received for providing such commitments. Structuring fees and upfront fees are recognized as income when earned, usually when paid at the closing of the investment, and are non-refundable.

### **Monitoring of Portfolio Investments**

We monitor the performance and financial trends of our portfolio companies on at least a quarterly basis. We attempt to identify any developments within the portfolio company, the industry or the macroeconomic environment that may alter any

material element of our original investment strategy. Our portfolio monitoring procedures are designed to provide a simple yet comprehensive analysis of our portfolio companies based on their operating performance and underlying business characteristics, which in turn forms the basis of its Risk Rating (as defined below).

We use an investment risk rating system to characterize and monitor the credit profile and expected level of returns on each investment in the portfolio. As such, we assign each investment a composite score (“Risk Rating”) based on two metrics – 1) Operating Performance and 2) Business Characteristics:

- Operating Performance assesses the health of the investment in context of its financial performance and the market environment it faces. The metric is expressed in Tiers of “1” to “4”, with “1” being the worst and “4” being the best:
  - Tier 1 – Severe business underperformance and/or severe market headwinds
  - Tier 2 – Significant business underperformance and/or significant market headwinds
  - Tier 3 – Moderate business underperformance and/or moderate market headwinds
  - Tier 4 – Business performance is in-line with or above expectations
- Business Characteristics assesses the health of the investment in context of the underlying portfolio company’s business and credit quality, the underlying portfolio company’s current balance sheet, and the level of support from the equity sponsor. The metric is expressed as on a qualitative scale of “A” to “C”, with “A” being the best and “C” being the worst.

The Risk Rating for each investment is a composite of these two metrics. The Risk Rating is expressed in categories of Red, Orange, Yellow and Green, with Red reflecting an investment performing materially below expectations and Green reflecting an investment that is in-line with or above expectations. The mapping of the composite scores to these categories are below:

- Red – 1C (e.g., Tier 1 for Operating Performance and C for Business Characteristics)
- Orange – 2C and 1B
- Yellow – 3C, 2B, and 1A
- Green – 4C, 3B, 2A, 4B, 3A, and 4A

The following table shows the Risk Rating of our portfolio companies as of March 31, 2023:

(in millions) Risk Rating	As of March 31, 2023			
	Cost	Percent	Fair Value	Percent
Red	\$ 62.3	1.9 %	\$ 17.6	0.5 %
Orange	60.1	1.8 %	41.0	1.3 %
Yellow	187.7	5.6 %	138.7	4.2 %
Green	3,022.5	90.7 %	3,089.6	94.0 %
	<u>\$ 3,332.6</u>	<u>100.0 %</u>	<u>\$ 3,286.9</u>	<u>100.0 %</u>

As of March 31, 2023, all investments in our portfolio had a Green Risk Rating with the exception of eight portfolio companies that had a Yellow Risk Rating, four portfolio companies that had an Orange Risk Rating and three portfolio companies that had a Red Risk Rating.

During the first quarter of 2023, we placed our second lien term loan in ADG, LLC ("ADG") on non-accrual status. As of March 31, 2023, our position in ADG on non-accrual status had an aggregate cost basis of \$7.4 million, an aggregate fair value of \$2.7 million and total unearned interest income of \$0.3 million for the three months then ended. As of March 31, 2023, our ADG portfolio company has a Red Risk Rating.

During the third quarter of 2022, we placed our first lien term loan and first lien delayed draw term loan positions in Ansira Holdings, Inc. ("Ansira") on non-accrual status. As of March 31, 2023, our first lien positions in Ansira on non-accrual status had an aggregate cost basis of \$41.3 million, an aggregate fair value of \$9.2 million and total unearned interest income of \$2.5 million for the three months then ended. As of March 31, 2023, our Ansira portfolio company has a Red Risk Rating.

As of March 31, 2023, our aggregate principal amount of our second lien term loan in Integro Parent Inc. ("Integro") was \$12.0 million. During the second quarter of 2022, we placed an aggregate principal amount of \$4.2 million of our second

lien position on non-accrual status. As of March 31, 2023, our position in Integro on non-accrual status had an aggregate cost basis of \$4.0 million, an aggregate fair value of \$3.3 million and total unearned interest income of \$0.2 million for the three months then ended. As of March 31, 2023, our Integro portfolio company has a Green Risk Rating.

During the second quarter of 2022, we placed our second lien positions in National HME, Inc. ("National HME") on non-accrual status. As of March 31, 2023, our second lien position in National HME had an aggregate cost basis of \$7.9 million, an aggregate fair value of \$5.0 million and total unearned interest income of \$0.4 million for the three months then ended. During the fourth quarter of 2022, we reversed \$11.2 million of previously recorded PIK interest in National HME and \$1.5 million of previously recorded other income in NHME Holdings Corp. as we believe this PIK interest and other income will ultimately not be collectible. As of March 31, 2023, our National HME portfolio company has a Red Risk Rating.

As of March 31, 2023, our aggregate principal amount of our subordinated position and first lien term loans in American Achievement Corporation ("AAC") was \$5.2 million and \$30.8 million, respectively. During the first quarter of 2021, we placed an aggregate principal amount of \$5.2 million of our subordinated position on non-accrual status. During the third quarter of 2021, we placed an aggregate principal amount of \$13.2 million of our first lien term loans on non-accrual status. As of March 31, 2023, our positions in AAC on non-accrual status had an aggregate cost basis of \$13.2 million, an aggregate fair value of \$8.7 million and total unearned interest income of \$0.5 million, for the three months then ended. As of March 31, 2023, our AAC portfolio company has an Orange Risk Rating.

During the third quarter of 2021, we placed our second lien position in Sierra Hamilton Holdings Corporation ("Sierra") on non-accrual status. As of March 31, 2023, our second lien position in Sierra had an aggregate cost basis of \$0.0 million, an aggregate fair value of \$0.0 million and total unearned interest income of \$0.0 million for the three months then ended. As of March 31, 2023, our Sierra portfolio company has a Orange Risk Rating.

During the first quarter of 2020, we placed our investment in our junior preferred shares of UniTek Global Services, Inc. ("UniTek") on non-accrual status. As of March 31, 2023, our junior preferred shares of UniTek had an aggregate cost basis of \$34.4 million, an aggregate fair value of \$0.0 million and total unearned dividend income of \$1.8 million for the three months then ended. During the third quarter of 2021, we placed an aggregate principal amount of \$19.8 million of our investment in our senior preferred shares of UniTek on non-accrual status. As of March 31, 2023, our senior preferred shares of UniTek had an aggregate cost basis of \$19.8 million, an aggregate fair value of approximately \$10.1 million and total unearned dividend income of approximately \$1.3 million, for the three months then ended. As of March 31, 2023, our UniTek portfolio company has a Green Risk Rating.

During the first quarter of 2018, we placed our first lien positions in Education Management II LLC on non-accrual status as the portfolio company announced its intention to wind down and liquidate the business. As of March 31, 2023, our Education Management Corporation had an aggregate cost basis of \$1.0 million, an aggregate fair value of \$0.0 million and total unearned interest income of \$0.0 million for the three months then ended. As of March 31, 2023, our Education Management Corporation portfolio company has an Orange Risk Rating.

During the year ended December 31, 2019, our security purchased under collateralized agreements to resell was placed on non-accrual. As of March 31, 2023, our investment in this security has a Yellow Risk Rating and has an aggregate cost basis of \$30.0 million and an aggregate fair value of approximately \$16.5 million.

#### Portfolio and Investment Activity

The fair value of our investments, as determined in good faith by our board of directors, was approximately \$3,270.3 million in 111 portfolio companies at March 31, 2023 and approximately \$3,221.2 million in 107 portfolio companies at December 31, 2022.

The following table shows our portfolio and investment activity for the three months ended March 31, 2023 and March 31, 2022:

(in millions)	Three Months Ended	
	March 31, 2023	March 31, 2022
New investments in 25 and 24 portfolio companies, respectively	\$ 94.2	\$ 153.8
Debt repayments in existing portfolio companies	31.5	44.1
Sales of securities in 2 and 3 portfolio companies, respectively	36.2	49.2
Change in unrealized appreciation on 55 and 28 portfolio companies, respectively	45.3	29.7
Change in unrealized depreciation on 47 and 73 portfolio companies, respectively	(39.4)	(39.6)

## Recent Accounting Standards Updates

See Item 1.—*Financial Statements and Supplementary Data—Note 13. Recent Accounting Standards Updates* for details on recent accounting standards updates.

## Results of Operations for the Three Months Ended March 31, 2023 and March 31, 2022

### Revenue

(in thousands)	Three Months Ended	
	March 31, 2023	March 31, 2022
Total interest income	\$ 71,234	\$ 47,878
Total dividend income	17,543	16,772
Other income	3,176	4,313
Total investment income	\$ 91,953	\$ 68,963

Our total investment income increased by approximately \$23.0 million, or 33%, for the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. For the three months ended March 31, 2023, total investment income of approximately \$92.0 million consisted of approximately \$60.7 million in cash interest from investments, approximately \$9.0 million in PIK and non-cash interest from investments, net amortization of purchase premiums and discounts of approximately \$1.6 million, approximately \$11.0 million in cash dividends from investments, approximately \$6.5 million in PIK and non-cash dividends from investments and approximately \$3.2 million in other income. The increase in interest income of approximately \$23.4 million during the three months ended March 31, 2023 as compared to the three months ended March 31, 2022 was primarily due to a higher effective interest rate of our portfolio on larger invested balances. The increase in dividend income for the three months ended March 31, 2023 as compared to the three months ended March 31, 2022 was primarily driven by an increase in PIK dividends and PIK dividends related to new investments, partially offset by a decrease in cash dividends from our investment in NMNLC. Other income during the three months ended March 31, 2023, which represents fees that are generally non-recurring in nature, was primarily attributable to upfront, consent and amendment fees received from 14 different portfolio companies.

### Operating Expenses

(in thousands)	Three Months Ended	
	March 31, 2023	March 31, 2022
Management fee	\$ 11,638	\$ 11,553
Less: management fee waiver	(1,063)	(1,092)
Total management fee	10,575	10,461
Incentive fee	9,597	7,477
Interest and other financing expenses	30,796	18,637
Administrative expenses	1,048	1,209
Professional fees	965	937
Other general and administrative expenses	488	477
Total expenses	53,469	39,198
Less: expenses waived and reimbursed	—	(238)
Net expenses before income taxes	53,469	38,960
Income tax expense	96	95
Net expenses after income taxes	\$ 53,565	\$ 39,055

Our total net operating expenses increased by approximately \$14.5 million for the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. Our management fee, net of a management fee waiver, remained relatively flat and our incentive fee increased by approximately \$2.1 million for the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. The increase in incentive fees was attributable to higher invested balances.

Interest and other financing expenses increased by approximately \$12.2 million during the three months ended March 31, 2023 as compared to the three months ended March 31, 2022, primarily due to higher LIBOR rates on our floating

rate borrowings, higher interest expense on our 2022A Unsecured Notes, issued in the second quarter of 2022, and higher interest expense on our 2022 Convertibles Notes, issued in the fourth quarter of 2022 with an upside in the first quarter of 2023. Higher interest expense was partially offset by lower interest expense on our 2017A Unsecured Notes, which were fully repaid in the third quarter of 2022, lower interest expense on our 2018A Unsecured Notes, which were fully repaid in the first quarter of 2023 and lower interest expense on the 2018 Convertible Notes, which were partially repaid in the fourth quarter of 2022 as a result of our tender offer to purchase \$84.4 million aggregate principal amount of outstanding 2018 Convertible Notes. Our total professional fees, administrative expenses and total other general and administrative expenses for the three months ended March 31, 2023 as compared to the three months ended March 31, 2022 remained relatively flat.

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

(in thousands)	Three Months Ended	
	March 31, 2023	March 31, 2022
Net realized gains on investments	\$ 665	\$ 19,172
Net realized gains on foreign currency	12	345
Net change in unrealized appreciation (depreciation) of investments	5,852	(9,933)
Net change in unrealized depreciation securities purchased under collateralized agreements to resell	—	(2,021)
Net change in unrealized appreciation (depreciation) on foreign currency	26	(422)
Provision for taxes	(131)	(2)
Net realized and unrealized gains	\$ 6,424	\$ 7,139

Our net realized and unrealized gains resulted in a net gain of approximately \$6.4 million for the three months ended March 31, 2023 compared to net realized gains and unrealized losses resulting in a net gain of approximately \$7.1 million for the same period in 2022. As movement in unrealized appreciation or depreciation can be the result of realizations, we look at net realized and unrealized gains or losses together. The net gain for the three months ended March 31, 2023 was primarily driven by realized gains in Haven Midstream Holdings LLC and unrealized gains in UniTek, partially offset by realized losses in National HME and unrealized losses in Ansira and ADG. The provision for income taxes was attributable to equity investments that are held as of March 31, 2023 in eight of our corporate subsidiaries. The net gain for the three months ended March 31, 2022 was primarily driven by a realized gain in NM GLCR LP and unrealized appreciation in TVG-Edmentum Holdings, LLC, UniTek and Haven Midstream LLC which offset unrealized depreciation in NHME Holdings Corp. and Integro Parent Inc. See *Monitoring of Portfolio Investments* above for more details regarding the health of our portfolio companies.

**Investment Income and Net Realized and Unrealized (Losses) Gains Related to Non-Controlling Interest in New Mountain Net Lease Corporation**

(in thousands)	Three Months Ended	
	March 31, 2023	March 31, 2022
Total investment income	\$ 91,953	\$ 68,963
Net expenses after income taxes	53,565	39,055
Net investment income	38,388	29,908
Less: Net investment income related to non-controlling interests in NMNLC	275	334
Net investment income related to NMFC	\$ 38,113	\$ 29,574
Net change in realized gains on investments	665	19,172
Net change in realized gains on foreign currency	12	345
Less: Net change in realized gains on investments related to non-controlling interest in NMNLC	—	1,922
Net change in realized gains of investments related to NMFC	\$ 677	\$ 17,595
Net change in unrealized appreciation (depreciation) of investments	5,852	(9,933)
Net change in unrealized depreciation of securities purchased under collateralized agreements to resell	—	(2,021)
Net change in unrealized appreciation (depreciation) on foreign currency	26	(422)
Provision for taxes	(131)	(2)
Less: Net change in unrealized depreciation of investments related to non-controlling interest in NMNLC	(36)	(1,401)
Net change in unrealized appreciation (depreciation) of investments related to NMFC	\$ 5,783	\$ (10,977)

**Liquidity, Capital Resources, Off-Balance Sheet Arrangements, Borrowings and Contractual Obligations**
**Liquidity and Capital Resources**

The primary use of existing funds and any funds raised in the future is expected to be for repayment of indebtedness, investments in portfolio companies, cash distributions to our stockholders or for other general corporate purposes.

Since our IPO, and through March 31, 2023, we raised approximately \$945.6 million in net proceeds from additional offerings of common stock.

Our liquidity is generated and generally available through advances from the revolving credit facilities, from cash flows from operations, and, we expect, through periodic follow-on equity offerings. In addition, we may from time to time enter into additional debt facilities, increase the size of existing facilities or issue additional debt securities, including unsecured debt and/or debt securities convertible into common stock. Any such incurrence or issuance would be subject to prevailing market conditions, our liquidity requirements, contractual and regulatory restrictions and other factors. On June 8, 2018 our shareholders approved the application of the modified asset coverage requirements set forth in Section 61(a) of the 1940 Act, which resulted in the reduction from 200.0% to 150.0% of the minimum asset coverage ratio applicable to us as of June 9, 2018. In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, calculated pursuant to the 1940 Act, is at least 150.0% after such borrowing (which means we can borrow \$2 for every \$1 of our equity). As a result of our exemptive relief received on November 5, 2014, we are permitted to exclude our SBA-guaranteed debentures from the 150.0% asset coverage ratio that we are required to maintain under the 1940 Act. The agreements governing the NMFC Credit Facility, the Convertible Notes and the Unsecured Notes (as defined below) contain certain covenants and terms, including a requirement that we not exceed a debt-to-equity ratio of 1.65 to 1.00 at the time of incurring additional indebtedness and a requirement that we not exceed a secured debt ratio of 0.70 to 1.00 at any time. As of March 31, 2023, our asset coverage ratio was 177.6%.

At March 31, 2023 and December 31, 2022, we had cash and cash equivalents of approximately \$46.4 million and \$71.2 million, respectively. Our cash used in operating activities during the three months ended March 31, 2023 and March 31, 2022 was approximately \$3.5 million and \$45.2 million, respectively. We expect that all current liquidity needs will be met with cash flows from operations and other activities.



On November 3, 2021, we entered into an equity distribution agreement (the "Distribution Agreement") with B. Riley Securities, Inc. and Raymond James & Associates, Inc. (collectively, the "Agents"). The Distribution Agreement provides that we may issue and sell our shares from time to time through the Agents, up to \$250.0 million worth of our common stock by means of at-the-market ("ATM") offerings.

For the three months ended March 31, 2023, we did not sell any shares of common stock under the Distribution Agreement. For the three months ended March 31, 2022, we sold 1,511,836 shares of common stock under the Distribution Agreement and received total accumulated net proceeds of approximately \$20.5 million, including \$0.3 million of offering expenses from these sales.

We generally use net proceeds from these ATM offerings to make investments, to pay down liabilities and for general corporate purposes. As of March 31, 2023, shares representing approximately \$196.9 million of our common stock remains available for issuance and sale under the Distribution Agreement.

#### **Off-Balance Sheet Agreements**

We 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 March 31, 2023 and December 31, 2022, we had outstanding commitments to third parties to fund investments totaling \$216.2 million and \$224.1 million, respectively, under various undrawn revolving credit facilities, delayed draw commitments or other future funding commitments.

We may from time to time enter into financing commitment letters or bridge financing commitments, which could require funding in the future. As of March 31, 2023 and December 31, 2022, we had commitment letters to purchase investments in an aggregate par amount of \$4.9 million and \$45.6 million, respectively. As of March 31, 2023 and December 31, 2022, we had not entered into any bridge financing commitments which could require funding in the future.

#### **Borrowings**

**Holdings Credit Facility**—On October 24, 2017, we entered into the Third Amended and Restated Loan and Security Agreement (as amended from time to time, the "Loan and Security Agreement") among us, as the Collateral Manager, NMF Holdings, as the Borrower, Wells Fargo Securities, LLC, as the Administrative Agent and Wells Fargo Bank, National Association, as the Lender and Collateral Custodian (the "Holdings Credit Facility"). As of the amendment on April 20, 2021, the maturity date of the Holdings Credit Facility is April 20, 2026, and the maximum facility amount is the lesser of \$800.0 million and the actual commitments of the lenders to make advances as of such date.

As of March 31, 2023, the maximum amount of revolving borrowings available under the Holdings Credit Facility is \$730.0 million. Under the Holdings Credit Facility, NMF Holdings is permitted to borrow up to 25.0%, 45.0%, 67.5% or 70.0% of the purchase price of pledged assets, subject to approval by Wells Fargo Bank, National Association. The Holdings Credit Facility is non-recourse to us and is collateralized by all of the investments of NMF Holdings on an investment by investment basis. All fees associated with the origination, amending or upsizing of the Holdings Credit Facility are capitalized on our Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the Holdings Credit Facility. The Holdings Credit Facility contains certain customary affirmative and negative covenants and events of default. In addition, the Holdings Credit Facility requires us to maintain a minimum asset coverage ratio of 150.0%. The covenants are generally not tied to mark to market fluctuations in the prices of NMF Holdings investments, but rather to the performance of the underlying portfolio companies.

As of the most recent amendment on April 28, 2023, the Holdings Credit Facility bears interest at a rate of SOFR plus 1.70% for Broadly Syndicated Loans (as defined in the Seventh Amendment to the Loan and Security Agreement) and SOFR plus 2.20% per annum for all other investments. From April 20, 2021 to April 27, 2023, the Holdings Credit Facility bore interest at a rate of LIBOR plus 1.60% per annum for Broadly Syndicated Loans (as defined in the Fifth Amendment to the Loan and Security Agreement) and LIBOR plus 2.10% per annum for all other investments. The Holdings Credit Facility also charges a non-usage fee, based on the unused facility amount multiplied by the Non-Usage Fee Rate (as defined in the Third Amended and Restated Loan and Security Agreement).

As of March 31, 2023 and December 31, 2022, the outstanding balance on the Holdings Credit Facility was \$614.7 million and \$619.0 million, respectively, and NMF Holdings was in compliance with the applicable covenants in the Holdings Credit Facility on such dates.

See *Item 1.—Financial Statements and Supplementary Data—Note 7. Borrowings* in this Quarterly Report on Form 10-Q for additional information on costs incurred on the Holdings Credit Facility for the three months ended March 31, 2023 and March 31, 2022.

**NMFC Credit Facility**—The Amended and Restated Senior Secured Revolving Credit Agreement, (as amended from time to time, and together with the related guarantee and security agreement, the "RCA"), dated June 4, 2021, among us, as the Borrower, Goldman Sachs Bank USA, as the Administrative Agent and Collateral Agent, and Goldman Sachs Bank USA, Morgan Stanley Bank, N.A., Stifel Bank & Trust and MUFG Union Bank, N.A., as Lenders (the "NMFC Credit Facility"), is structured as a senior secured revolving credit facility. The NMFC Credit Facility is guaranteed by certain of our domestic subsidiaries and proceeds from the NMFC Credit Facility may be used for general corporate purposes, including the funding of portfolio investments. As of the most recent amendment on June 4, 2021, the maturity date of the NMFC Credit Facility is June 4, 2026.

As of March 31, 2023, the maximum amount of revolving borrowings available under the NMFC Credit Facility was \$198.5 million. We are permitted to borrow at various advance rates depending on the type of portfolio investment as outlined in the related RCA. All fees associated with the origination and amending of the NMFC Credit Facility are capitalized on our Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the NMFC Credit Facility. The NMFC Credit Facility contains certain customary affirmative and negative covenants and events of default, including certain financial covenants related to the asset coverage and liquidity and other maintenance covenants.

As of the most recent amendment on June 4, 2021, the NMFC Credit Facility generally bears interest at a rate of LIBOR, SONIA or EURIBOR plus 2.10% per annum or the prime rate plus 1.10% per annum, and charges a commitment fee, based on the unused facility amount multiplied by 0.375% per annum (as defined in the RCA). Prior to June 4, 2021, the NMFC Credit Facility bore interest at a rate of LIBOR plus 2.50% per annum or the prime rate plus 1.50% per annum, and charged a commitment fee based on the unused facility amount multiplied by 0.375% per annum (as defined in the RCA).

As of March 31, 2023 and December 31, 2022, the outstanding balance on the NMFC Credit Facility was \$87.9 million and \$40.4 million, which included £22.9 million and £22.9 million, respectively, denominated in British Pound Sterling ("GBP") and €0.7 million and €0.7 million, respectively, denominated in Euro ("EUR") that have been converted to U.S. dollars. NMFC was in compliance with the applicable covenants in the NMFC Credit Facility on such dates.

See *Item 1.—Financial Statements and Supplementary Data—Note 7. Borrowings* in this Quarterly Report on Form 10-Q for additional information on costs incurred on the NMFC Credit Facility for the three months ended March 31, 2023 and March 31, 2022.

**Unsecured Management Company Revolver**—The Uncommitted Revolving Loan Agreement (the "Uncommitted Revolving Loan Agreement"), dated March 30, 2020, by and between us, as the Borrower, and NMF Investments III, L.L.C., as Lender, an affiliate of the Investment Adviser (the "Unsecured Management Company Revolver"), is structured as a discretionary unsecured revolving credit facility. The proceeds from the Unsecured Management Company Revolver may be used for general corporate purposes, including the funding of portfolio investments. As of the most recent amendment on December 17, 2021, the maturity date of the Unsecured Management Company Revolver is December 31, 2024.

As of the most recent amendment on December 17, 2021, the Unsecured Management Company Revolver bears interest at a rate of 4.00% per annum. Prior to December 17, 2021, the Unsecured Management Company Revolver bore interest at a rate of 7.00% per annum (as defined in the Uncommitted Revolving Loan Agreement). On May 4, 2020, we entered into an Amended and Restated Uncommitted Revolving Loan Agreement with NMF Investments III, L.L.C., which increased the maximum amounts of revolving borrowings available thereunder from \$30.0 million to \$50.0 million. As of March 31, 2023, the maximum amount of revolving borrowings available under the Unsecured Management Company Revolver was \$50.0 million and no borrowings were outstanding. For the three months ended March 31, 2023 and March 31, 2022, amortization of financing costs were each less than \$50.0 thousand, respectively.

**DB Credit Facility**—The Loan Financing and Servicing Agreement (the "LFSA") dated December 14, 2018 and as amended from time to time, among NMFDB as the borrower, Deutsche Bank AG, New York Branch ("Deutsche Bank") as the facility agent, Lender and other agent from time to time party thereto and U.S. Bank National Association, as collateral agent and collateral custodian (the "DB Credit Facility"), is structured as a secured revolving credit facility and matures on March 25, 2026.

As of March 31, 2023, the maximum amount of revolving borrowings available under the DB Credit Facility was \$280.0 million. We are permitted to borrow at various advance rates depending on the type of portfolio investment, as outlined in the LFSA. The DB Credit Facility is non-recourse to us and is collateralized by all of the investments of NMFDB on an investment by investment basis. All fees associated with the origination and amending of the DB Credit Facility are capitalized on our Consolidated Statement of Assets and Liabilities and charged against income as other financing expenses over the life of the DB Credit Facility. The DB Credit Facility contains certain customary affirmative and negative covenants and events of default. The covenants are generally not tied to mark to market fluctuations in the prices of NMFDB investments, but rather to the performance of the underlying portfolio companies.

The advances under the DB Credit Facility accrue interest at a per annum rate equal to the Applicable Margin plus the lender's Cost of Funds Rate. Prior to March 25, 2021, the Applicable Margin was equal to 2.60% during the Revolving Period and then increases by 0.20% during an Event of Default. Effective March 25, 2021, the Applicable Margin is equal to 2.35% during the Revolving Period and then increases by 0.20% during an Event of Default. The "Cost of Funds Rate" for a conduit lender is the lower of its commercial paper rate and the Base Rate plus 0.50%, and for any other lender is the Base Rate. The "Base Rate" is the three-months LIBOR Rate but may become an alternative base rate based on Deutsche Bank's base lending rate if certain LIBOR disruption events occur. We are also charged a non-usage fee, based on the unused facility amount multiplied by the Undrawn Fee Rate (as defined in the LFSA) and a facility agent fee of 0.25% per annum on the total facility amount.

As of March 31, 2023 and December 31, 2022, the outstanding balance on the DB Credit Facility was \$186.4 million and \$186.4 million, respectively, and NMFDB was in compliance with the applicable covenants in the DB Credit Facility on such date.

See *Item 1.—Financial Statements and Supplementary Data—Note 7. Borrowings* in this Quarterly Report on Form 10-Q for additional information on costs incurred on the DB Credit Facility for the three months ended March 31, 2023 and March 31, 2022.

**NMNL Credit Facility II**—The Credit Agreement (together with the related guarantee and security agreement, the "NMNL CA"), dated February 26, 2021, by and between NMNL, as the Borrower, and City National Bank, as the Lender (the "NMNL Credit Facility II"), is structured as a senior secured revolving credit facility. As of the amendment on November 1, 2022, NM CLFX LP has been added as a co-borrower and the NMNL CA will mature on November 1, 2024. The NMNL Credit Facility II is guaranteed by us and proceeds from the NMNL Credit Facility II are able to be used for refinancing existing loans on the properties held.

Prior to the amendment on December 7, 2021, the NMNL Credit Facility II bore interest at a rate of LIBOR plus 2.75% per annum, and charged a commitment fee, based on the unused facility amount multiplied by 0.05% per annum (as defined in the NMNL CA). From December 7, 2021 to November 1, 2022, the NMNL Credit Facility II bore interest at a rate of the SOFR plus 2.75% per annum with a 0.35% floor, and charges a commitment fee, based on the unused facility amount multiplied by 0.05% per annum (as defined in the NMNL CA). As of the amendment on November 1, 2022, the NMNL Credit Facility II bears interest at a rate of SOFR plus 2.25%.

Prior to the amendment on March 16, 2022, the maximum amount of revolving borrowings available under the NMNL Credit Facility II was \$20 million. As of the March 16, 2022 amendment and effective May 1, 2022 through November 1, 2022, the maximum amount of revolving borrowings available under the NMNL Credit Facility II was \$10 million. As of the amendment on November 1, 2022, the maximum amount of revolving borrowings available under the NMNL Credit Facility II is \$27.5 million, of which \$26.3 million is outstanding for all borrowers. As of March 31, 2023 and December 31, 2022, the outstanding balance on the NMNL Credit Facility II was \$3.1 million and \$3.8 million, respectively, and NMNL was in compliance with the applicable covenants in the NMNL Credit Facility II on such date.

See *Item 1.—Financial Statements and Supplementary Data—Note 7. Borrowings* in this Quarterly Report on Form 10-Q for additional information on costs incurred on the NMNL Credit Facility II for the three months ended March 31, 2023 and March 31, 2022.

#### **Convertible Notes**

**2018 Convertible Notes**—On August 20, 2018, we closed a registered public offering of \$100.0 million aggregate principal amount of unsecured convertible notes (the "2018 Convertible Notes"), pursuant to an indenture, dated August 20, 2018, as supplemented by a first supplemental indenture thereto, dated August 20, 2018 (together the "2018A Indenture"). On August 30, 2018, in connection with the registered public offering, we issued an additional \$15.0 million aggregate principal amount of the 2018 Convertible Notes pursuant to the exercise of an overallotment option by the underwriter of the 2018 Convertible Notes. On June 7, 2019, we closed a registered public offering of an additional \$86.3 million aggregate principal amount of the 2018 Convertible Notes. These additional 2018 Convertible Notes constitute a further issuance of, rank equally in right of payment with, and form a single series with the \$115.0 million aggregate principal amount of 2018 Convertible Notes that we issued in August 2018.

The 2018 Convertible Notes bear interest at an annual rate of 5.75%, payable semi-annually in arrears on February 15 and August 15 of each year. The 2018 Convertible Notes will mature on August 15, 2023 unless earlier converted, repurchased or redeemed pursuant to the terms of the 2018A Indenture. We may not redeem the 2018 Convertible Notes prior to May 15, 2023. On or after May 15, 2023, we may redeem the 2018 Convertible Notes for cash, in whole or from time to time in part, at our option at a redemption price, subject to an exception for redemption dates occurring after a record date but on or prior to the interest payment date, equal to the sum of (i) 100% of the principal amount of the 2018 Convertible Notes to be redeemed, (ii) accrued and unpaid interest thereon to, but excluding, the redemption date and (iii) a make-whole premium.

On November 4, 2022, we launched a tender offer to purchase, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated November 4, 2022, up to \$201.25 million aggregate principal amount of outstanding 2018 Convertible Notes for cash in an amount equal to \$1,000 per \$1,000 principal amount of 2018 Convertible Notes purchased (exclusive of accrued and unpaid interest on such notes) (the "Tender Offer"). The Tender Offer expired on December 6, 2022. As of the expiration of the Tender Offer, \$84.43 million aggregate principal amount of the 2018 Convertible Notes were validly tendered and not validly withdrawn pursuant to the Tender Offer. The Company accepted for purchase all of the 2018 Convertible Notes that were validly tendered and not validly withdrawn at the expiration of the Tender Offer. Following settlement of the Tender Offer on December 9, 2022, approximately \$116.8 million aggregate principal amount of the 2018 Convertible Notes remained outstanding.

No sinking fund is provided for the 2018 Convertible Notes. Holders of 2018 Convertible Notes may, at their option, convert their 2018 Convertible Notes into shares of our common stock at any time on or prior to the close of business on the business day immediately preceding the maturity date of the 2018 Convertible Notes. In addition, if certain corporate events occur, holders of the 2018 Convertible Notes may require us to repurchase for cash all or part of their 2018 Convertible Notes at a repurchase price equal to 100.0% of the principal amount of the 2018 Convertible Notes to be repurchased, plus accrued and unpaid interest through, but excluding, the repurchase date.

The 2018A Indenture contains certain covenants, including covenants requiring us to provide certain financial information to the holders of the 2018 Convertible Notes and the trustee if we cease to be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The 2018A Indenture also includes additional financial covenants related to our asset coverage ratio. These covenants are subject to limitations and exceptions that are described in the 2018A Indenture.

**2022 Convertible Notes**—On November 2, 2022, we closed a private offering of \$200.0 million aggregate principal amount of unsecured convertible notes (the "2022 Convertible Notes"), pursuant to an indenture, dated August 20, 2018, as supplemented by a third supplemental indenture thereto, dated November 2, 2022 (together the "2018C Indenture"). On March 14, 2023, in connection with the registered public offering, we issued an additional \$60.0 million aggregate principal amount of the 2022 Convertible Notes. These additional 2022 Convertible Notes constitute a further issuance of, rank equally in right of payment with, and form a single series with the \$200,000 aggregate principal amount of 2022 Convertible Notes that we issued in November 2022.

The 2022 Convertible Notes bear interest at an annual rate of 7.50%, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on April 15, 2023. The 2022 Convertible Notes will mature on October 15, 2025 unless earlier converted, repurchased or redeemed pursuant to the terms of the 2018C Indenture. We may not redeem the 2022 Convertible Notes prior to July 15, 2025. On or after July 15, 2025, we may redeem the 2022 Convertible Notes for cash, in whole or from time to time in part, at our option at a redemption price, subject to an exception for redemption dates occurring after a record date but on or prior to the interest payment date, equal to the sum of (i) 100% of the principal amount of the 2022 Convertible Notes to be redeemed, (ii) accrued and unpaid interest thereon to, but excluding, the redemption date and (iii) a make-whole premium.

The following table summarizes certain key terms related to the convertible features of our 2018 Convertible Notes and 2022 Convertible Notes (together, the "Convertible Notes") as of March 31, 2023:

	2018 Convertible Notes		2022 Convertible Notes	
Initial conversion premium(1)		10.0 %		14.7 %
Initial conversion rate(2)		65.8762		70.4225
Initial conversion price	\$	15.18	\$	14.20
Conversion premium at March 31, 2023		10.0 %		14.7 %
Conversion rate at March 31, 2023(1)(2)		65.8762		70.6582
Conversion price at March 31, 2023(2)(3)	\$	15.18	\$	14.15
Last conversion price calculation date		August 20, 2022		March 17, 2023

- (1) Conversion rates denominated in shares of common stock per \$1.0 thousand principal amount of our Convertible Notes converted.
- (2) Represents conversion rate and conversion price, as applicable, taking into account certain de minimis adjustments that will be made on the conversion date.
- (3) The conversion price in effect at March 31, 2023 on the 2018 Convertible Notes was calculated on the last anniversary of the issuance and will be calculated again on the next anniversary, unless the exercise price shall have changed by more than 1.0% before the anniversary. The conversion price in effect at March 31, 2023 on the 2022 Convertible Notes was calculated on March 17, 2023.

The conversion rate will be subject to adjustment upon certain events, such as stock splits and combinations, mergers, spin-offs, increases in dividends in excess of \$0.34 per share per quarter for the 2018 Convertible Notes and \$0.30 per share per quarter for the 2022 Convertible Notes and certain changes in control. Certain of these adjustments, including adjustments for increases in dividends, are subject to a conversion price floor of \$13.80 per share for the 2018 Convertible Notes and \$12.38 per share for the 2022 Convertible Notes. In no event will the total number of shares of common stock issuable upon conversion exceed 72.4637 per \$1 principal amount of the 2018 Convertible Notes and 80.7754 per \$1 principal amount of the 2022 Convertible Notes. We have determined that the embedded conversion option in the Convertible Notes is not required to be separately accounted for as a derivative under GAAP.

The Convertible Notes are unsecured obligations and rank senior in right of payment to our existing and future indebtedness, if any, that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness (including existing unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries and financing vehicles. As reflected in *Item 1. — Financial Statements — Note 11. Earnings Per Share*, the issuance is considered part of the if-converted method for calculation of diluted earnings per share.

As of March 31, 2023 and December 31, 2022, the outstanding balance on the 2018 Convertible Notes was \$116.8 million and \$116.8 million, respectively. As of March 31, 2023 and December 31, 2022, the outstanding balance on the 2022 Convertible Notes was \$260.0 million and \$200.0 million, respectively. NMFC was in compliance with the terms of the 2018A Indenture and 2018C Indenture on such date.

See *Item 1.—Financial Statements and Supplementary Data—Note 7. Borrowings* in this Quarterly Report on Form 10-Q for additional information on costs incurred on the Convertible Notes for the three months ended March 31, 2023 and March 31, 2022.

#### **Unsecured Notes**

On June 30, 2017, we issued \$55.0 million in aggregate principal amount of five-year unsecured notes that matured on July 15, 2022 (the "2017A Unsecured Notes"), pursuant to an amended and restated note purchase agreement, dated September 30, 2016 (the "NPA"), and a supplement to the NPA. On July 15, 2022, we caused notices to be issued to holders of our 2017A Unsecured Notes regarding the exercise of our option to repay all of our \$55.0 million in aggregate principal amount of issued and outstanding 2017A Unsecured Notes, which was repaid on July 14, 2022. On January 30, 2018, we issued \$90.0 million in aggregate principal amount of five year unsecured notes that matured on January 30, 2023 (the "2018A Unsecured Notes") pursuant to the NPA and a second supplement to the NPA. On January 30, 2023, we caused notices to be issued to holders of our 2018A Unsecured Notes regarding the exercise of our option to repay all of our \$90.0 million in aggregate principal amount of issued and outstanding 2018A Unsecured Notes, which was repaid on January 27, 2023. On July 5, 2018, we issued \$50.0 million in aggregate principal amount of five year unsecured notes that mature on June 28, 2023 (the "2018B Unsecured Notes") pursuant to the NPA and a third supplement to the NPA (the "Third Supplement"). On April 30, 2019, we issued \$116.5 million in aggregate principal amount of five year unsecured notes that mature on April 30, 2024 (the "2019A Unsecured Notes") pursuant to the NPA and a fourth supplement to the NPA (the "Fourth Supplement"). On January 29, 2021, we issued \$200.0 million in aggregate principal amount of five year unsecured notes that mature on January 29, 2026 (the "2021A Unsecured Notes") pursuant to the NPA and a fifth supplement to the NPA (the "Fifth Supplement"). On June 15, 2022, we issued \$75.0 million in aggregate principal amount of five year unsecured notes that mature on June 15, 2027 (the "2022A Unsecured Notes") pursuant to the NPA and a sixth supplement to the NPA (the "Sixth Supplement"). The NPA provides for future issuances of unsecured notes in separate series or tranches.

The 2017A Unsecured Notes bore interest at an annual rate of 4.760%, payable semi-annually on January 15 and July 15 of each year. The 2018A Unsecured Notes bore interest at an annual rate of 4.870%, payable semi-annually on February 15 and August 15 of each year. The 2018B Unsecured Notes bear interest at an annual rate of 5.360%, payable semi-annually on January 15 and July 15 of each year. The 2019A Unsecured Notes bear interest at an annual rate of 5.494%, payable semi-annually on April 15 and October 15 of each year. The 2021A Unsecured Notes bear interest at an annual rate of 3.875%, payable semi-annually in arrears on January 29 and July 29 of each year. The 2022A Unsecured Notes bear interest at an annual rate of 5.900%, payable semi-annually in arrears on June 15 and December 15 of each year, which commenced on December 14, 2022. These interest rates are subject to increase in the event that: (i) subject to certain exceptions, the underlying unsecured notes or we cease to have an investment grade rating or (ii) the aggregate amount of our unsecured debt falls below \$150.0 million. In each such event, we have the option to offer to prepay the underlying unsecured notes at par, in which case holders of the underlying unsecured notes who accept the offer would not receive the increased interest rate. In addition, we are obligated to offer to prepay the underlying unsecured notes at par if the Investment Adviser, or an affiliate thereof, ceases to be our investment adviser or if certain change in control events occur with respect to the Investment Adviser.

The NPA contains customary terms and conditions for unsecured notes issued, including, without limitation, an option to offer to prepay all or a portion of the unsecured notes under its governance at par (plus a make-whole amount if applicable), affirmative and negative covenants such as information reporting, maintenance of our status as a BDC under the 1940 Act and a RIC under the Code, minimum stockholders' equity, minimum asset coverage ratio, and prohibitions on certain fundamental changes at NMFC or any subsidiary guarantor, as well as customary events of default with customary cure and notice, including, without limitation, nonpayment, misrepresentation in a material respect, breach of covenant, cross-default under other indebtedness of NMFC or certain significant subsidiaries, certain judgments and orders, and certain events of bankruptcy. The Third Supplement, Fourth Supplement, Fifth Supplement and Sixth Supplement all include additional financial covenants related to asset coverage as well as other terms.

The 2017A Unsecured Notes, 2018A Unsecured Notes, 2018B Unsecured Notes, 2019A Unsecured Notes, 2021A Unsecured Notes and 2022A Unsecured Notes (together, the "Unsecured Notes") are unsecured obligations and rank senior in right of payment to our existing and future indebtedness, if any, that is expressly subordinated in right of payment to the Unsecured Notes; equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness (including existing unsecured indebtedness that we later secure) to the extent of the value of the assets securing such indebtedness; and structurally junior to all existing and future indebtedness (including trade payables) incurred by our subsidiaries and financing vehicles.

As of March 31, 2023 and December 31, 2022, the outstanding balance on the Unsecured Notes was \$441.5 million and \$531.5 million, respectively, and we were in compliance with the terms of the NPA as of such dates, as applicable.

See *Item 1.—Financial Statements and Supplementary Data—Note 7. Borrowings* in this Quarterly Report on Form 10-Q for additional information on costs incurred on the Unsecured Notes for the three months ended March 31, 2023 and March 31, 2022.

**SBA-guaranteed debentures**—On August 1, 2014 and August 25, 2017, respectively, SBIC I and SBIC II received SBIC licenses from the SBA to operate as SBICs.

The SBIC license allows SBICs to obtain leverage by issuing SBA-guaranteed debentures, subject to the issuance of a capital commitment by the SBA and other customary procedures. SBA-guaranteed debentures are non-recourse to us and have a ten year maturity with interest payable semi-annually. The principal amount of SBA-guaranteed debentures may be prepaid at any time without penalty. The interest rate of SBA-guaranteed debentures is fixed on a semi-annual basis at a market-driven spread over U.S. Treasury Notes with ten year maturities. The SBA, as a creditor, will have a superior claim to the assets of SBIC I and SBIC II over our stockholders in the event SBIC I and SBIC II are liquidated or the SBA exercises remedies upon an event of default.

The maximum amount of borrowings available under current SBA regulations for a single licensee is \$150.0 million as long as the licensee has at least \$75.0 million in regulatory capital, receives a capital commitment from the SBA and has been through an examination by the SBA subsequent to licensing. In June 2018, legislation amended the 1958 Act by increasing the individual leverage limit from \$150.0 million to \$175.0 million, subject to SBA approvals.

As of March 31, 2023 and December 31, 2022, SBIC I had regulatory capital of \$75.0 million and \$75.0 million, respectively, and SBA-guaranteed debentures outstanding of \$150.0 million and \$150.0 million, respectively. As of March 31, 2023 and December 31, 2022, SBIC II had regulatory capital of \$75.0 million and \$75.0 million, respectively, and \$150.0 million and \$150.0 million, respectively, of SBA-guaranteed debentures outstanding. The SBA-guaranteed debentures incur upfront fees of 3.435%, which consists of a 1.00% commitment fee and a 2.435% issuance discount, which are amortized over the life of the SBA-guaranteed debentures.

Prior to pooling, the SBA-guaranteed debentures bear interest at an interim floating rate of LIBOR plus 0.30%. Once pooled, which occurs in March and September each year, the SBA-guaranteed debentures bear interest at a fixed rate that is set to the current 10-year treasury rate plus a spread at each pooling date.

The SBIC program is designed to stimulate the flow of private investor capital into eligible small businesses, as defined by the SBA. Under SBA regulations, SBICs are subject to regulatory requirements, including making investments in SBA-eligible small businesses, investing at least 25.0% of its investment capital in eligible smaller enterprises (as defined under the 1958 Act), placing certain limitations on the financing terms of investments, regulating the types of financing, prohibiting investments in small businesses with certain characteristics or in certain industries and requiring capitalization thresholds that limit distributions to us. SBICs are subject to an annual periodic examination by an SBA examiner to determine the SBIC's compliance with the relevant SBA regulations and an annual financial audit of its financial statements that are prepared on a basis of accounting other than GAAP (such as ASC 820) by an independent auditor. As of March 31, 2023 and December 31, 2022, SBIC I and SBIC II were in compliance with SBA regulatory requirements.

See *Item 1.—Financial Statements and Supplementary Data—Note 7. Borrowings* in this Quarterly Report on Form 10-Q for additional information on our SBA-guaranteed debentures as of March 31, 2023 and costs incurred on the SBA-guaranteed debentures for the three months ended March 31, 2023 and March 31, 2022.

**Contractual Obligations**

A summary of our significant contractual payment obligations as of March 31, 2023 is as follows:

(in millions)	Contractual Obligations Payments Due by Period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Holdings Credit Facility(1)	\$ 614.7	\$ —	\$ —	\$ 614.7	\$ —
Unsecured Notes(2)	441.5	50.0	316.5	75.0	—
Convertible Notes(3)	376.8	116.8	260.0	—	—
SBA-guaranteed debentures(4)	300.0	—	117.7	32.3	150.0
DB Credit Facility(5)	186.4	—	186.4	—	—
NMFC Credit Facility(6)	87.9	—	—	87.9	—
NMNLC Credit Facility II(7)	3.1	—	3.1	—	—
Total Contractual Obligations	<u>\$ 2,010.4</u>	<u>\$ 166.8</u>	<u>\$ 883.7</u>	<u>\$ 809.9</u>	<u>\$ 150.0</u>

- (1) Under the terms of the \$730.0 million Holdings Credit Facility, all outstanding borrowings under that facility (\$614.7 million as of March 31, 2023) must be repaid on or before April 20, 2026. As of March 31, 2023, there was approximately \$115.3 million of possible capacity remaining under the Holdings Credit Facility.
- (2) \$50.0 million of the 2018B Unsecured Notes will mature on June 28, 2023 unless earlier repurchased, \$116.5 million of the 2019A Unsecured Notes will mature on April 30, 2024 unless earlier repurchased, \$200.0 million of the 2021A Unsecured Notes will mature on January 29, 2026 unless earlier repurchased and \$75.0 million of the 2022A Unsecured Notes will mature on June 15, 2027 unless earlier repurchased.
- (3) The 2018 Convertible Notes will mature on August 15, 2023 unless earlier converted or repurchased at the holder's option or redeemed by us. The 2022 Convertible Notes will mature on October 15, 2025 unless earlier converted or purchased at the holder's option or redeemed by us.
- (4) Our SBA-guaranteed debentures will begin to mature on March 1, 2025.
- (5) Under the terms of the \$280.0 million DB Credit Facility, all outstanding borrowings under that facility (\$186.4 million as of March 31, 2023) must be repaid on or before March 25, 2026. As of March 31, 2023, there was approximately \$93.6 million of possible capacity remaining under the DB Credit Facility.
- (6) Under the terms of the \$198.5 million NMFC Credit Facility, all outstanding borrowings under that facility (\$87.9 million, which included £22.9 million denominated in GBP and €0.7 million denominated in EUR that have been converted to U.S. dollars as of March 31, 2023) must be repaid on or before June 4, 2026. As of March 31, 2023, there was approximately \$110.6 million of available capacity remaining under the NMFC Credit Facility.
- (7) Under the terms of the NMNLC Credit Facility II, all outstanding borrowings under that facility must be repaid on or before November 1, 2024. As of March 31, 2023, the outstanding borrowings for all borrowers was \$25.7 million, of which \$3.1 million was outstanding for NMNLC.

We have entered into an investment management and advisory agreement (the "Investment Management Agreement") with the Investment Adviser in accordance with the 1940 Act. Under the Investment Management Agreement, the Investment Adviser has agreed to provide us with investment advisory and management services. We have agreed to pay for these services (1) a management fee and (2) an incentive fee based on our performance.

We have also entered into the administration agreement, as amended and restated (the "Administration Agreement") with the Administrator. Under the Administration Agreement, the Administrator has agreed to arrange office space for us and provide office equipment and clerical, bookkeeping and record keeping services and other administrative services necessary to conduct our respective day-to-day operations. The Administrator has also agreed to maintain, or oversee the maintenance of, our financial records, our reports to stockholders and reports filed with the SEC.

If any of the contractual obligations discussed above are terminated, our costs under any new agreements that are entered into may increase. In addition, we would likely incur significant time and expense in locating alternative parties to provide the services we expect to receive under the Investment Management Agreement and the Administration Agreement.

**Distributions and Dividends**

Distributions declared and paid to stockholders for the three months ended March 31, 2023 totaled approximately \$32.3 million.

The following table reflects cash distributions, including dividends and returns of capital, if any, per share that have been declared by our board of directors for the two most recent fiscal years and the current fiscal year to date:

<b>Fiscal Year Ended</b>	<b>Date Declared</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Per Share Amount (1)</b>
<b>December 31, 2023</b>				
First Quarter	January 24, 2023	March 17, 2023	March 31, 2023	\$ 0.32
				<u>\$ 0.32</u>
<b>December 31, 2022</b>				
Fourth Quarter	November 2, 2022	December 16, 2022	December 30, 2022	\$ 0.32
Third Quarter	August 3, 2022	September 16, 2022	September 30, 2022	0.30
Second Quarter	May 3, 2022	June 16, 2022	June 30, 2022	0.30
First Quarter	February 23, 2022	March 17, 2022	March 31, 2022	0.30
				<u>\$ 1.22</u>
<b>December 31, 2021</b>				
Fourth Quarter	October 27, 2021	December 16, 2021	December 30, 2021	\$ 0.30
Third Quarter	July 29, 2021	September 16, 2021	September 30, 2021	0.30
Second Quarter	April 30, 2021	June 16, 2021	June 30, 2021	0.30
First Quarter	February 17, 2021	March 17, 2021	March 31, 2021	0.30
				<u>\$ 1.20</u>

- (1) Tax characteristics of all distributions paid are reported to stockholders on Form 1099 after the end of the calendar year. For the years ended December 31, 2022 and December 31, 2021, total distributions were \$122.4 million and \$116.5 million, respectively, of which the distributions were comprised of approximately 70.59% and 90.99%, respectively, of ordinary income, 20.79% and 0.00%, respectively, of long-term capital gains and approximately 8.62% and 9.01%, respectively, of a return of capital. Future quarterly distributions, if any, will be determined by our board of directors.

We intend to pay quarterly distributions to our stockholders in amounts sufficient to maintain our status as a RIC. We intend to distribute approximately all of our net investment income on a quarterly basis and substantially all of our taxable income on an annual basis, except that we may retain certain net capital gains for reinvestment.

We maintain an "opt out" dividend reinvestment plan on behalf of our common stockholders, pursuant to which each of our stockholders' cash distributions will be automatically reinvested in additional shares of common stock, unless the stockholder elects to receive cash. See *Item 1—Financial Statements—Note 2. Summary of Significant Accounting Policies* for additional details regarding our dividend reinvestment plan.

**Related Parties**

We have entered into a number of business relationships with affiliated or related parties, including the following:

- We have entered into the Investment Management Agreement with the Investment Adviser, a wholly-owned subsidiary of New Mountain Capital. Therefore, New Mountain Capital is entitled to 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.
- We have entered into a fee waiver agreement (the "Fee Waiver Agreement") with the Investment Adviser, pursuant to which the Investment Adviser agreed to voluntarily reduce the base management fees payable to the Investment Adviser by us under the Investment Management Agreement beginning with the quarter ended March 31, 2021 through the quarter ending December 31, 2023. See *Item 1—Financial Statements—Note 5. Agreements* for details.
- We have entered into the Administration Agreement with the Administrator, a wholly-owned subsidiary of New Mountain Capital. The Administrator arranges our office space and provides office equipment and administrative



services necessary to conduct our respective day-to-day operations pursuant to the Administration Agreement. We reimburse the Administrator for the allocable portion of overhead and other expenses incurred by it in performing its obligations to us under the Administration Agreement, which includes the fees and expenses associated with performing administrative, finance, and compliance functions, and the compensation of our chief financial officer and chief compliance officer and their respective staffs. Pursuant to the Administration Agreement and further restricted by us, the Administrator may, in its own discretion, submit to us for reimbursement some or all of the expenses that the Administrator has incurred on our behalf during any quarterly period. As a result, the amount of expenses for which we will have to reimburse the Administrator may fluctuate in future quarterly periods and there can be no assurance given as to when, or if, the Administrator may determine to limit the expenses that the Administrator submits to us for reimbursement in the future. However, it is expected that the Administrator will continue to support part of our expense burden in the near future and may decide to not calculate and charge through certain overhead related amounts as well as continue to cover some of the indirect costs. The Administrator cannot recoup any expenses that the Administrator has previously waived. For the three months ended March 31, 2023 approximately \$0.6 million of indirect administrative expenses were included in administrative expenses, of which approximately \$0.0 million were waived by the Administrator. As of March 31, 2023, approximately \$0.6 million of indirect administrative expenses were included in payable to affiliates. For the three months ended March 31, 2023, the reimbursement to the Administrator represented approximately 0.02% of our gross assets.

- We, the Investment Adviser and the Administrator have entered into a royalty-free Trademark License Agreement, as amended, with New Mountain Capital, pursuant to which New Mountain Capital has agreed to grant us, the Investment Adviser and the Administrator a non-exclusive, royalty-free license to use the name "New Mountain" and "New Mountain Finance", as well as the NMF logo.

In addition, we have adopted a formal code of ethics that governs the conduct of our officers and directors, which is available on our website at <http://www.newmountainfinance.com>. These officers and directors also remain subject to the duties imposed by the 1940 Act and the Delaware General Corporation Law.

The Investment Adviser and its affiliates may also manage other funds in the future that may have investment mandates that are similar, in whole or in part, to our investment mandates. The Investment Adviser and its affiliates may determine that an investment is appropriate for us 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. On October 8, 2019, the SEC issued an exemptive order (the "Exemptive Order"), which superseded a prior order issued on December 18, 2017, which permits us to co-invest in portfolio companies with certain funds or entities managed by the Investment Adviser or its affiliates in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act, subject to the conditions of the Exemptive Order. Pursuant to the Exemptive Order, we are permitted to co-invest with our affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co-investment transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the potential co-investment transaction is consistent with the interests of our stockholders and is consistent with our then-current investment objective and strategies. The Exemptive Order was amended on August 30, 2022 to permit us to complete follow-on investments in our existing portfolio companies with certain affiliates that are private funds if such private funds do not hold an investment in such existing portfolio company, subject to certain conditions.

On March 30, 2020, an affiliate of the Investment Adviser purchased directly from NMNLC 105,030 shares of NMNLC's common stock at a price of \$107.73 per share, which represented the net asset value per share of NMNLC at the date of purchase, for an aggregate purchase price of approximately \$11.3 million. Immediately thereafter, NMNLC redeemed 105,030 shares of its common stock held by NMFC in exchange for a promissory note with a principal amount of \$11.3 million and a 7.0% interest rate, which was repaid by NMNLC to NMFC on March 31, 2020.

On March 30, 2020, we entered into the Unsecured Management Company Revolver with NMF Investments III, L.L.C., an affiliate of the Investment Adviser, with a \$30.0 million maximum amount of revolver borrowings available and a maturity date of December 31, 2022. On May 4, 2020, we entered into an Amended and Restated Uncommitted Revolving Loan Agreement with NMF Investments III, L.L.C., which increased the maximum amounts of revolving borrowings available thereunder from \$30.0 million to \$50.0 million. On December 17, 2021, we entered into Amendment No. 1 to the Amended and Restated Uncommitted Revolving Loan Agreement with NMF Investments III, L.L.C., which lowered the interest rate and extended the maturity date from December 31, 2022 to December 31, 2024. Refer to *Borrowings* for discussion of the Unsecured Management Company Revolver.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are subject to certain financial market risks, such as interest rate fluctuations. Because we fund a portion of our investments with borrowings, our net investment income is affected by the difference between the rate at which we invest and the rate at which we borrow. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. Since March 2022, the Federal Reserve has been rapidly raising interest rates and has indicated that it would consider additional rate hikes in response to ongoing inflation concerns. In a rising interest rate environment, our net investment income would increase due to an increase in interest income generated by our investment portfolio. However, our cost of funds would also increase, which could also impact net investment income. It is possible that the Federal Reserve's tightening cycle could result in a recession in the United States, which would likely decrease interest rates. Alternatively, in a prolonged low interest rate environment, including a reduction of base rates, such as LIBOR, SONIA or SOFR, to zero, the difference between the total interest income earned on interest earning assets and the total interest expense incurred on interest bearing liabilities may be compressed, reducing our net interest income and potentially adversely affecting our operating results. During the three months ended March 31, 2023, certain of the loans held in our portfolio had floating LIBOR, SONIA or SOFR interest rates. As of March 31, 2023, approximately 87.30% of investments at fair value (excluding investments on non-accrual, unfunded debt investments and non-interest bearing equity investments) represent floating-rate investments with a LIBOR, SONIA or SOFR floor (includes investments bearing prime interest rate contracts) and approximately 12.70% of investments at fair value represent fixed-rate investments. Additionally, our senior secured revolving credit facilities are also subject to floating interest rates and are currently paid based on floating LIBOR, SONIA or SOFR rates.

The following table estimates the potential changes in net cash flow generated from interest income and expenses, should interest rates increase by 100, 200 or 300 basis points, or decrease by 25 basis points. Interest income is calculated as revenue from interest generated from our portfolio of investments held on March 31, 2023. Interest expense is calculated based on the terms of our outstanding revolving credit facilities, convertible notes and unsecured notes. For our floating rate credit facilities, we use the outstanding balance as of March 31, 2023. Interest expense on our floating rate credit facilities is calculated using the interest rate as of March 31, 2023, adjusted for the hypothetical changes in rates, as shown below. The base interest rate case assumes the rates on our portfolio investments remain unchanged from the actual effective interest rates as of March 31, 2023. These hypothetical calculations are based on a model of the investments in our portfolio, held as of March 31, 2023, and are only adjusted for assumed changes in the underlying base interest rates.

Actual results could differ significantly from those estimated in the table.

<b>Change in Interest Rates</b>	<b>Estimated Percentage Change in Interest Income Net of Interest Expense (unaudited)</b>	
-25 Basis Points	(1.99)	%
Base Interest Rate	—	%
+100 Basis Points	7.98	%
+200 Basis Points	15.96	%
+300 Basis Points	23.94	%

**Item 4. Controls and Procedures**

**(a) Evaluation of Disclosure Controls and Procedures**

As of March 31, 2023 (the end of the period covered by this report), we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of such possible controls and procedures.

**(b) Changes in Internal Controls Over Financial Reporting**

Management has not identified any change in our internal control over financial reporting that occurred during the quarter ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

*The terms “we”, “us”, “our” and the “Company” refers to New Mountain Finance Corporation and its consolidated subsidiaries.*

### **Item 1. Legal Proceedings**

We, and our consolidated subsidiaries, the Investment Adviser and the Administrator are not currently subject to any material pending legal proceedings as of March 31, 2023. From time to time, we or our consolidated subsidiaries may be a party to certain legal proceedings incidental to the normal course of our business including the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our business, financial condition or results of operations.

### **Item 1A. Risk Factors**

In addition to the other information set forth in this report, you should carefully consider the factors discussed in *Item 1A. Risk Factors* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, which could materially affect our business, financial condition and/or operating results, including the Risk Factor titled "Small Business Credit Availability Act allows us to incur additional leverage, which could increase the risk of investing in our securities". The risks described in our Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results. There have been no material changes during the three months ended March 31, 2023 to the risk factors discussed in *Item 1A. Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2022 other than those set forth below.

***Our business is dependent on bank relationships and recent strain on the banking system may adversely impact us.***

The financial markets recently have encountered volatility associated with concerns about the balance sheets of banks, especially small and regional banks that may have significant losses associated with investments that make it difficult to fund demands to withdraw deposits and other liquidity needs. Although the federal government has announced measures to assist these banks and protect depositors, some banks have already been impacted and others may be materially and adversely impacted. Our business is dependent on bank relationships, and we are proactively monitoring the financial health of banks with which we (or our portfolio companies) do or may in the future do business. Continued strain on the banking system may adversely impact our business, financial condition and results of operations.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

We did not engage in unregistered sales of equity securities during the three months ended March 31, 2023.

**Issuer Purchases of Equity Securities*****Dividend Reinvestment Plan***

During the three months ended March 31, 2023, as part of our dividend reinvestment plan for our common stockholders, our dividend reinvestment plan administrator purchased 101,878 shares of our common stock for approximately \$1.3 million in the open market in order to satisfy the reinvestment portion of our distribution. The following table outlines purchases by our dividend reinvestment plan administrator of our common stock for this purpose during the three months ended March 31, 2023.

(in thousands, except shares and per share data) Period	Total Number of Shares Purchased	Weighted Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 2023	101,878	\$ 12.46	—	\$ —
February 2023	—	—	—	—
March 2023	—	—	—	—
Total	101,878	\$ 12.46	—	\$ —

***Stock Repurchase Program***

On February 4, 2016, our board of directors authorized a program for the purpose of repurchasing up to \$50.0 million worth of our common stock (the "Repurchase Program"). Under the Repurchase Program, we were permitted, but were not obligated to, repurchase our outstanding common stock in the open market from time to time, provided that we complied with our code of ethics and the guidelines specified in Rule 10b-18 of the Exchange Act, including certain price, market volume and timing constraints. In addition, any repurchases were conducted in accordance with the 1940 Act. On December 22, 2022, our board of directors extended our Repurchase Program and we expect the Repurchase Program to be in place until the earlier of December 31, 2023 or until \$50.0 million of outstanding shares of common stock have been repurchased. To date, approximately \$2.9 million of common stock has been repurchased by us under the Repurchase Program. We did not repurchase any shares of our common stock under the Repurchase Program during the three months ended March 31, 2023.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

(a) Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the U.S. Securities and Exchange Commission:

<b>Exhibit Number</b>	<b>Description</b>
3.1(a)	<a href="#">Amended and Restated Certificate of Incorporation of New Mountain Finance Corporation(2)</a>
3.1(b)	<a href="#">Certificate of Change of Registered Agent and/or Registered Office of New Mountain Finance Corporation(3)</a>
3.2	<a href="#">Amended and Restated Bylaws of New Mountain Finance Corporation(2)</a>
3.3	<a href="#">Certificate of Amendment to the Amended and Restated Certificate of Incorporation New Mountain Finance Corporation(4)</a>
4.1	<a href="#">Form of Stock Certificate of New Mountain Finance Corporation(1)</a>
10.1	<a href="#">Form of Private Placement Purchase Agreement, dated as of March 8, 2023, by and among New Mountain Finance Corporation and the investor named therein, on behalf of itself and the accounts listed on Exhibit A thereto for whom such investor holds contractual and investment authority, relating to the 7.50% Convertible Notes due October 15, 2025.(5)</a>
10.2	<a href="#">Seventh Amendment to Loan and Security Agreement, dated as of April 28, 2023, by and among New Mountain Finance Corporation, as the collateral manager, New Mountain Finance Holdings, L.L.C., as the borrower, Wells Fargo Bank, National Association, as the administrative agent, the lenders party thereto and Wells Fargo Bank, National Association, as the collateral custodian.*</a>
10.3	<a href="#">First Amendment to Loan and Security Agreement, dated as of April 28, 2023, by and among New Mountain Finance Corporation, as the collateral manager, NMFC Senior Loan Program IV LLC as the borrower, NMFC Senior Loan Program I LLC and NMFC Senior Loan Program II as guarantor subsidiaries, Wells Fargo Bank, National Association, as the administrative agent, the lender party thereto and Wells Fargo Bank, National Association, as the collateral custodian.*</a>
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended*</a>
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended*</a>
32.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)*</a>
32.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)*</a>

- (1) Previously filed in connection with New Mountain Finance Holdings, L.L.C.'s registration statement on Form N-2 Pre-Effective Amendment No. 3 (File Nos. 333-168280 and 333-172503) filed on May 9, 2011.
- (2) Previously filed in connection with New Mountain Finance Corporation's Quarterly Report on Form 10-Q filed on August 11, 2011.
- (3) Previously filed in connection with New Mountain Finance Corporation and New Mountain Finance AIV Holdings Corporation Current Report on Form 8-K filed on August 25, 2011.
- (4) Previously filed in connection with New Mountain Finance Corporation's Current Report on Form 8-K filed on April 3, 2019.
- (5) Previously filed in connection with New Mountain Finance Corporation's Current Report on Form 8-K filed on March 10, 2023.

\*Filed herewith.



SEVENTH AMENDMENT TO LOAN AND SECURITY AGREEMENT (this “Amendment”), dated as of April 28, 2023 (the “Amendment Date”), among NEW MOUNTAIN FINANCE HOLDINGS, L.L.C., a Delaware limited liability company (the “Borrower”), NEW MOUNTAIN FINANCE CORPORATION, a Delaware corporation (the “Collateral Manager”), WELLS FARGO BANK, NATIONAL ASSOCIATION, as the administrative agent (“Administrative Agent”), as swingline lender and as a lender, the lenders signatory hereto (each a “Lender” and, collectively, the “Lenders”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as collateral custodian (the “Collateral Custodian”).

WHEREAS, the Borrower, the Collateral Manager, the Administrative Agent, the other Lenders party from time to time thereto and the Collateral Custodian are parties to the Third Amended and Restated Loan and Security Agreement, dated as of October 24, 2017 (as amended from time to time prior to the date hereof, 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 Collateral Manager, the Administrative Agent and the Lenders desire to amend the Loan and Security Agreement in accordance with Section 12.1 thereof 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

### Amendment

Section 1.1 As of the Amendment Date, the Loan and Security Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages attached as Appendix A hereto.

## ARTICLE III

### Representations and Warranties

Section 1.1 The Borrower and the Collateral Manager hereby represent and warrant to the Administrative Agent and the Lenders that, as of the date first written above and after giving effect to this Amendment, (i) no Default or Event of Default has occurred and is continuing and (ii) the representations and warranties of the Borrower and the Collateral

---



Manager 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 1.1 This Amendment shall become effective as of the date hereof upon (i) this Amendment being duly executed by, and delivered to, the parties hereto in accordance with Section 12.1 of the Loan and Security Agreement and (ii) all reasonable and documented out-of-pocket fees shall have paid to the Administrative Agent, in immediately available funds for its own account, any fees (including reasonable and documented fees, disbursements and other charges of counsel to the Administrative Agent) to be received on the date hereof.

#### ARTICLE V

##### Miscellaneous

###### Section 1.1 Governing Law.

THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

###### Section 1.2 Severability Clause

. In case any provision in this 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 1.3 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 Amendment shall form a part of the Loan and Security Agreement for all purposes.

###### Section 1.4 Headings

. The headings of the Articles and Sections in this Amendment are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

Section 1.5 Counterparts. The parties hereto may sign one or more copies of this Amendment in counterparts, all of which together shall constitute one and the same agreement. Delivery of an executed signature page of this Amendment by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof. This Amendment shall be valid, binding, and enforceable against a party when executed and delivered by an authorized individual on behalf of the party by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce

---

Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including any relevant provisions of the UCC (collectively, "Signature Law"), in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof.

Section 1.6 Collateral Custodian Direction. By its execution hereof the Administrative Agent hereby authorizes and directs the Collateral Custodian to execute and deliver this Amendment on the date hereof, acknowledges and agrees that the Collateral Custodian shall be fully protected in relying upon the foregoing consent and direction and hereby releases the Collateral Custodian from any liability in complying with such direction. In executing and delivering this Amendment, the Collateral Custodian shall be afforded all of the rights, privileges, immunities and indemnities afforded to it under the Loan and Security Agreement as if such rights, privileges, immunities and indemnities were set forth herein; *provided* that such rights, privileges, immunities and indemnities shall be in addition to, and not in limitation of, any such rights, privileges, immunities and indemnities set forth in this Amendment.

---

above. IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written

**NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.**, as the Borrower

By: /s/ Adam Weinstein  
Name: Adam Weinstein  
Title: Authorized Signatory

**NEW MOUNTAIN FINANCE CORPORATION**, as the Collateral Manager

By: /s/ Adam Weinstein  
Name: Adam Weinstein  
Title: Authorized Signatory

---

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as the Administrative Agent

By: /s/ R. Beale Pope  
Name: R. Beale Pope  
Title: Managing Director

---

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as Swingline Lender and as a Lender

By: /s/ R. Beale Pope  
Name: R. Beale Pope  
Title: Managing Director

---

**RAYMOND JAMES BANK, N.A.,**  
as a Lender

By: /s/ Mark Specht  
Name: Mark Specht  
Title: Vice President

---

**STATE STREET BANK AND TRUST COMPANY,**  
as a Lender

By: /s/ John Doherty  
Name: John Doherty  
Title: Vice President

---

**FIRST-CITIZENS BANK & TRUST COMPANY (SUCCESSOR BY MERGER TO CIT  
BANK, N.A.),**  
as a Lender

By: /s/ Zachary Schwartz  
Name: Zachary Schwartz  
Title: Director

---



**OLD SECOND NATIONAL BANK,**  
as a Lender

By: /s/ P. K. Read Jr.  
Name: P. K. Read Jr.  
Title: SVP, Commercial Banking

---

**FIFTH THIRD BANK, NATIONAL ASSOCIATION,**  
as a Lender

By: /s/ Pawan Churiwal  
Name: Pawan Churiwal  
Title: Director

---

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, not in its individual capacity but solely as Collateral Custodian

By: Computershare Trust Company, N.A., as its attorney-in-fact,

By: /s/ Rupinder S. Suri  
Name: Rupinder S. Suri  
Title: Vice President

---

APPENDIX A

---

Borrower CUSIP: 64755CAA4  
Borrower ISIN: US64755CAA45  
Facility CUSIP: 64755CAB2  
Facility ISIN: US64755CAB28

---

**U.S. \$800,000,000**

**THIRD AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

by and among

**NEW MOUNTAIN FINANCE CORPORATION,**  
as the Collateral Manager

**NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.,**  
as the Borrower

**EACH OF THE LENDERS FROM TIME TO TIME PARTY HERETO,**  
as the Lenders

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as the Swingline Lender

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as the Administrative Agent

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
as the Collateral Custodian

Dated as of October 24, 2017

---

## TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITIONS	2
Section 1.1. Certain Defined Terms.	2
Section 1.2. Other Terms.	46
Section 1.3. Computation of Time Periods.	46
Section 1.4. Interpretation.	46
ARTICLE II. THE ADVANCES	<del>47</del> <u>48</u>
Section 2.1. The Advances.	<del>47</del> <u>48</u>
Section 2.2. Procedures for Advances by the Lenders.	<del>48</del> <u>49</u>
Section 2.3. Reduction of the Facility Amount; Optional Repayments.	<del>50</del> <u>51</u>
Section 2.4. Determination of Interest and Non-Usage Fee.	52
Section 2.5. Promissory Notes.	52
Section 2.6. Principal Repayments.	<del>52</del> <u>53</u>
Section 2.7. Settlement Procedures.	53
Section 2.8. Alternate Settlement Procedures.	<del>55</del> <u>56</u>
Section 2.9. Collections and Allocations.	56
Section 2.10. Payments, Computations, Etc.	<del>57</del> <u>58</u>
Section 2.11. Fees.	58
Section 2.12. Increased Costs; Capital Adequacy; Illegality.	<del>58</del> <u>59</u>
Section 2.13. Taxes.	<del>60</del> <u>61</u>
Section 2.14. Discretionary Sales.	<del>64</del> <u>65</u>
Section 2.15. Refunding of Swingline Advances.	<del>65</del> <u>66</u>
Section 2.16. Defaulting Lenders.	<del>66</del> <u>67</u>
ARTICLE III. CONDITIONS TO CLOSING AND ADVANCES	<del>68</del> <u>69</u>
Section 3.1. Conditions to Amendment and Restatement.	<del>68</del> <u>69</u>
Section 3.2. Conditions Precedent to All Advances.	<del>69</del> <u>70</u>
Section 3.3. Custodianship; Transfer of Loans and Permitted Investments.	<del>71</del> <u>72</u>
ARTICLE IV. REPRESENTATIONS AND WARRANTIES	73
Section 4.1. Representations and Warranties of the Borrower.	73
Section 4.2. Representations and Warranties of the Borrower Relating to the Agreement and the Collateral.	<del>81</del> <u>82</u>

**TABLE OF CONTENTS**  
(continued)

**Page**

Section 4.3. Representations and Warranties of the Collateral Manager.	<del>82</del> <b>83</b>
Section 4.4. Representations and Warranties of the Collateral Custodian.	85
ARTICLE V. GENERAL COVENANTS	86
Section 5.1. Affirmative Covenants of the Borrower.	86
Section 5.2. Negative Covenants of the Borrower.	<del>92</del> <b>93</b>
Section 5.3. Affirmative Covenants of the Collateral Manager.	<del>94</del> <b>95</b>
Section 5.4. Negative Covenants of the Collateral Manager.	98
Section 5.5. Affirmative Covenants of the Collateral Custodian.	99
Section 5.6. Negative Covenants of the Collateral Custodian.	<del>99</del> <b>100</b>
ARTICLE VI. COLLATERAL MANAGEMENT	100
Section 6.1. Designation of the Collateral Manager.	100
Section 6.2. Duties of the Collateral Manager.	100
Section 6.3. Authorization of the Collateral Manager.	102
Section 6.4. Collection of Payments; Accounts.	102
Section 6.5. Realization Upon Defaulted or Delinquent Loans.	<del>+03</del> <b>104</b>
Section 6.6. [Intentionally Omitted.]	104
Section 6.7. Payment of Certain Expenses by Collateral Manager.	104
Section 6.8. Reports.	104
Section 6.9. Annual Statement as to Compliance.	105
Section 6.10. The Collateral Manager Not to Resign.	105
Section 6.11. Collateral Manager Defaults.	105
ARTICLE VII. THE COLLATERAL CUSTODIAN	106
Section 7.1. Designation of Collateral Custodian.	106
Section 7.2. Duties of Collateral Custodian.	106
Section 7.3. Merger or Consolidation.	109
Section 7.4. Collateral Custodian Compensation.	109
Section 7.5. Collateral Custodian Removal.	<del>+09</del> <b>110</b>
Section 7.6. Limitation on Liability.	110
Section 7.7. Resignation of the Collateral Custodian.	111
Section 7.8. Release of Documents.	<del>+++</del> <b>112</b>
Section 7.9. Return of Underlying Instruments.	112
Section 7.10. Access to Certain Documentation and Information Regarding the Collateral; Audits.	<del>++2</del> <b>113</b>

**TABLE OF CONTENTS**  
(continued)

**Page**

ARTICLE VIII. SECURITY INTEREST	113
Section 8.1. Grant of Security Interest.	113
Section 8.2. Release of Lien on Collateral.	114
Section 8.3. Further Assurances.	115
Section 8.4. Remedies.	115
Section 8.5. Waiver of Certain Laws.	116
Section 8.6. Power of Attorney.	116
ARTICLE IX. EVENTS OF DEFAULT	117
Section 9.1. Events of Default.	117
Section 9.2. Remedies.	119
ARTICLE X. INDEMNIFICATION	120
Section 10.1. Indemnities by the Borrower.	120
Section 10.2. Indemnities by the Collateral Manager.	123
Section 10.3. Taxes.	124
ARTICLE XI. THE ADMINISTRATIVE AGENT	124
Section 11.1. Appointment.	124
Section 11.2. Standard of Care; Exculpatory Provisions.	125
Section 11.3. Administrative Agent's Reliance, Etc.	126
Section 11.4. Credit Decision with Respect to the Administrative Agent.	126
Section 11.5. Indemnification of the Administrative Agent.	<del>+26</del> <u>127</u>
Section 11.6. Successor Administrative Agent.	127
Section 11.7. Delegation of Duties	<del>+27</del> <u>128</u>
Section 11.8. Payments by the Administrative Agent.	128
Section 11.9. Collateral Matters	128
Section 11.10. Notices	<del>+28</del> <u>129</u>
ARTICLE XII. MISCELLANEOUS	<del>+29</del> <u>130</u>
Section 12.1. Amendments and Waivers.	<del>+29</del> <u>130</u>
Section 12.2. Notices, Etc.	<del>+31</del> <u>132</u>
Section 12.3. Ratable Payments.	<del>+31</del> <u>132</u>
Section 12.4. No Waiver; Remedies.	132
Section 12.5. Binding Effect; Benefit of Agreement.	<del>+32</del> <u>133</u>
Section 12.6. Term of this Agreement.	<del>+32</del> <u>133</u>



**TABLE OF CONTENTS**  
(continued)

**Page**

Section 12.7.	Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue; Waiver of Jury Trial.	<del>+32</del> <u>133</u>
Section 12.8.	Waivers.	<del>+32</del> <u>133</u>
Section 12.9.	Costs and Expenses.	<del>+33</del> <u>134</u>
Section 12.10.	No Proceedings.	134
Section 12.11.	Recourse Against Certain Parties.	134
Section 12.12.	Protection of Right, Title and Interest in the Collateral; Further Action Evidencing Advances.	<del>+35</del> <u>136</u>
Section 12.13.	Confidentiality.	<del>+36</del> <u>137</u>
Section 12.14.	Execution in Counterparts; Severability; Integration.	<del>+37</del> <u>138</u>
Section 12.15.	Waiver of Setoff.	138
Section 12.16.	Status of Lenders; Assignments by the Lenders.	<del>+38</del> <u>139</u>
Section 12.17.	Heading and Exhibits.	<del>+40</del> <u>141</u>
Section 12.18.	Intent of the Parties.	<del>+40</del> <u>141</u>
Section 12.19.	Termination of the Safekeeping Agreement.	<del>+40</del> <u>141</u>
Section 12.20.	Effect of Amendment and Restatement.	<del>+40</del> <u>141</u>
Section 12.21.	Acknowledgement and Consent to Bail-In of EEA Financial Institutions	141
Section 12.22.	Recognition of the U.S. Special Resolution Regimes:	<del>+41</del> <u>142</u>

## EXHIBITS

EXHIBIT A-1	Form of Funding Notice
EXHIBIT A-2	Form of Repayment Notice
EXHIBIT A-3	Form of Reinvestment Notice
EXHIBIT A-4	Form of Borrowing Base Certificate
EXHIBIT A-5	Form of Approval Notice
EXHIBIT B	Reserved
EXHIBIT C	Form of Officer's Certificate as to Solvency
EXHIBIT D	Form of Officer's Closing Certificate
EXHIBIT E	Form of Release of Underlying Instruments
EXHIBIT F	Form of Certificate of Assignment
EXHIBIT G	Reserved
EXHIBIT H	Reserved
EXHIBIT I	Form of Joinder Supplement
EXHIBIT J	Form of Certificate of Required Loan Documents
EXHIBIT K	Form of Loan Checklist
EXHIBIT L-1	Form of Tax Certificate (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT L-2	Form of Tax Certificate (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT L-3	Form of Tax Certificate (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT L-4	Form of Tax Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

## **SCHEDULES**

SCHEDULE I Legal Names  
SCHEDULE II Approved Broker Dealers and Approved Valuation Firms  
SCHEDULE III Loan Schedule  
SCHEDULE IV Credit and Collection Policy

## **ANNEXES**

ANNEX A Addresses for Notices  
ANNEX B Commitments  
ANNEX C Variable Defined Terms

ChangePro Comparison of Wells - New Mountain NMFC - Third A&R Loan and Security Agreement (Conformed through Sixth Am.) and  
Wells - New Mountain NMFC - Third A&R Loan and Security Agreement (Conformed through Seventh Am.)\_(37382726)\_(29)  
05/05/2023

**THIRD AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT**

**THIS THIRD 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 October 24, 2017, by and among:

**NEW MOUNTAIN FINANCE CORPORATION**, a Delaware corporation, as the collateral manager (together with its successors and assigns in such capacity, the "Collateral Manager");

**NEW MOUNTAIN FINANCE HOLDINGS, L.L.C.**, a Delaware limited liability company, as the borrower (the "Borrower");

**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");

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, as the swingline lender (together with its successors and assigns in such capacity, the "Swingline Lender");

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as the administrative agent hereunder (together with its successors and assigns in such capacity, the "Administrative Agent"); and

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but as the collateral custodian (together with its successors and assigns in such capacity, the "Collateral Custodian").

**RECITALS**

**WHEREAS**, the Borrower is party to that certain Second Amended and Restated Loan and Security Agreement, dated as of December 18, 2014 (as amended prior to the date hereof, the "Existing A&R Loan and Security Agreement") with the Lenders, the Administrative Agent, the Collateral Manager and the Collateral Custodian;

**WHEREAS**, the Borrower has requested that the Lenders amend and restate the Existing A&R Loan and Security Agreement and continue to extend credit thereunder by making Advances (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 A&R Loan and Security Agreement in its entirety 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.

“A&R Effective Date”: October 24, 2017.

“Account”: Any of the Collateral Account, the Principal Collection Account, the Interest Collection Account, the Unfunded Exposure Account and any sub-accounts thereof reasonably deemed appropriate or necessary by the Securities Intermediary or 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 and including the day after the Determination Date immediately preceding the previous Payment Date to and including the Determination Date immediately preceding the current Payment Date (or, in the case of the final Payment Date, to and including such Payment 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 and (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.

“Administrative Agent”: Wells Fargo, as successor by assignment to Wells Fargo Securities, LLC, 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”: Each funding by the Lenders (including the Swingline Lender) hereunder (including each Loan Advance, Swingline Advance and each advance made for the purpose of refunding the Swingline Lender for any Swingline Advance pursuant to Section 2.15).

“Advance Date”: With respect to any Advance, the date on which such Advance is made.

“Advance Rate”: With respect to (a) any Broadly Syndicated Loan, 70%, (b) any First Lien Loan (that is not a Broadly Syndicated Loan), 67.5%, (c) any Recurring Revenue Loan, 55%, (d) any First Lien Last Out Loan, 45% and (e) any Second Lien Loan, 35%.

“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, at any time, directly or indirectly, controls or is controlled by, or is under common control with, 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 or a wholly-owned subsidiary of a Financial Sponsor. For purposes of this definition, “control,” and the correlative meanings of the terms “controlled by” and “under common control with” when used with respect to any specified Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting shares, partnership interests, shareholder interests, membership interests or by contract or otherwise.

“Aggregate Adjusted Balance”: On any date of determination, the sum of the Adjusted Balances of all Eligible Loans on such date.

“Aggregate OLB”: On any date of determination, the sum of the OLBs of all Eligible Loans on such date.

“Aggregate Unfunded Exposure Amount”: On any date of determination, the sum of the Unfunded Exposure Amounts of all Loans included in the Collateral.

“Agreement”: The meaning specified in the Preamble.

“Agreement Party”: Each of the Borrower and the Collateral Manager.

“Anti-Corruption Laws”: (a) The U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which any Agreement Party or other Sanctions Party is located or doing business.

“Anti-Money Laundering Laws”: Applicable laws or regulations in any jurisdiction in which any Agreement Party or other Sanctions Party are located or doing business that relates to money laundering or terrorism financing, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

“Applicable Amendment”: Any amendment, waiver or consent under this Agreement which, pursuant to Section 12.1, requires the approval of each Lender or each affected Lender, and which has been approved by the Required Lenders.

“Applicable Law”: For any Person or property of such Person, all existing and future laws, rules, regulations (including proposed, temporary and final tax regulations), statutes,

treaties, codes, ordinances, permits, certificates, licenses and orders of, and interpretations by, any Governmental Authority which are applicable to such Person or property (including, without limitation, predatory lending laws, usury laws, the Dodd-Frank Wall Street Reform and Consumer Protection Act, 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 the higher of (x) ~~1.85~~1.95% and (y) the percentage determined in accordance with the following formula, rounded to four decimal places:

$$\text{Applicable Spread} = (\text{AS}_F \times \text{Percentage}_F) + (\text{AS}_O \times \text{Percentage}_O)$$

where:  $\text{AS}_F = \del{1.60}1.70%;$

$\text{AS}_O = \del{2.10}2.20%;$

$\text{Percentage}_F = \text{Average Adjusted Balance}_F / \text{Average Adjusted Balance}_{\text{Agg}}$ ;

$\text{Percentage}_O = 100\% - \text{Percentage}_F$ ;

$\text{Average Adjusted Balance}_F = (\text{Beginning Adjusted Balance}_F + \text{Ending Adjusted Balance}_F) / 2$

$\text{Beginning Adjusted Balance}_F = \text{Adjusted Balance related to First Lien Loans that are also Broadly Syndicated Loans on the first day of the Accrual Period during which such day occurs};$

$\text{Ending Adjusted Balance}_F = \text{Adjusted Balance related to First Lien Loans that are also Broadly Syndicated Loans on the last day of the Accrual Period during which such day occurs};$

$\text{Average Adjusted Balance}_{\text{Agg}} = (\text{Beginning Adjusted Balance}_{\text{Agg}} + \text{Ending Adjusted Balance}_{\text{Agg}}) / 2$

$\text{Beginning Adjusted Balance}_{\text{Agg}} = \text{Aggregate Adjusted Balance on the first day of the Accrual Period during which such day occurs};$  and

$\text{Ending Adjusted Balance}_{\text{Agg}} = \text{Aggregate Adjusted Balance on the last day of the Accrual Period during which such day occurs}.$

*provided* that the “Applicable Spread” shall be ~~3.25~~3.35% after the occurrence and during the continuance of a Curable BDC Asset Coverage Event or an Event of Default.

“Approval Notice”: 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.

“Approved Broker Dealer”: Each broker dealer listed on part I 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, in each case determined pursuant to Section 18 under the 1940 Act, as modified by Section 61 thereunder, and any orders of the Securities and Exchange Commission issued thereunder, including any exemptive relief granted by the Securities and Exchange Commission with respect to the Indebtedness of any Person.

“Assigned Value”:

(a) With respect to any Loan as of any date of determination and subject to the following clauses (b) through (f) and the last paragraph of this definition of “Assigned Value,” the lowest of (i) 100%, (ii) the Purchase Price with respect to such Loan and (iii) the value (expressed as a percentage of par) of such Loan as determined by the Administrative Agent in its sole discretion and set forth in the Approval Notice. 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 or pursuant to the last paragraph of this definition of “Assigned Value”.

(b) [reserved].

(c) If a Value Adjustment Event with respect to any Loan occurs, the “Assigned Value” of such Loan may be amended by the Administrative Agent in its sole discretion; *provided* that, subject to the last paragraph of this definition of “Assigned Value,” (x) with respect to any Broadly Syndicated Loan that has both a Moody’s Rating of at least “B3” and an S&P rating of at least “B-”, the Administrative Agent shall not adjust the Assigned Value to a value lower than the lower of (A) the Market Value of such Loan on such date and (B) the Initial Assigned Value with respect to such Loan on such date and (y) with respect to any First Lien Loan that is not (I) a Recurring Revenue Loan or (II) a Broadly Syndicated Loan with both a Moody’s Rating of at least “B3” and an S&P rating of at least “B-” and solely with respect to the occurrence of a Value Adjustment Event of the type described in clause (a) of the definition thereof with respect to such Loan, immediately after giving effect to any such reevaluation, the Assigned Value shall not be lower than the lower of (1) the Initial Assigned Value of such Loan on such date and (2) such value that would result in the Facility Attachment Ratio for such Loan being equal to or lower than the “Minimum Facility Attachment Ratio” specified therefor in accordance with the grids below:



---

**First Lien Loans**

---

**Net Senior Leverage Ratio**

Less than 4.25x	2.90x
Greater than or equal to 4.25 and less than 5.00x	2.80x
Greater than or equal to 5.00 and less than 6.00x	2.70x
Greater than or equal to 6.00 and less than 7.00x	2.60x
Greater than or equal to 7.00 and less than 8.00x	2.40x
Greater than or equal to 8.00x	0.00x

**Minimum Facility Attachment Ratio**

---

**Second Lien Loans and First Lien Last Out Loans**

---

**Total Leverage Ratio**

Less than 5.00x
Greater than or equal to 5.00 and less than 6.00x
Greater than or equal to 6.00 and less than 7.00x
Greater than or equal to 7.00x

**Minimum Facility Attachment Ratio**

Facility Attachment Ratio as of the date of acquisition of such Loan
Facility Attachment Ratio as of the date of acquisition of such Loan <i>less</i> 0.25x
Facility Attachment Ratio as of the date of acquisition of such Loan <i>less</i> 0.50x
0.00x

---

**Designated Loans**

---

**Total Leverage Ratio**

Less than 6.00x
Greater than or equal to 6.00x

**Minimum Facility Attachment Ratio**

Lesser of (x) the Facility Attachment Ratio as of the date of acquisition of such Loan and (y) 2.00x
0.00x

(d) 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) (i) of such definition), (ii) the Cash Interest Coverage Ratio (in connection with any Value Adjustment Event pursuant to clause (b) of such definition), (iii) the Total Leverage Ratio (in the case of any Value Adjustment Event pursuant to clause (a)(ii) of such definition) or (iii) all of the Net Senior Leverage Ratio, Cash Interest Coverage Ratio and Total Leverage 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 Purchase Date of such Loan, 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](#); and

(e) The Assigned Value shall be zero for any Loan that is not an Eligible Loan.

On any Business day, the Borrower may request that the Administrative Agent reevaluate the Assigned Value of any Loan, which the Administrative Agent may do in its sole discretion. Any Assigned Value determined hereunder with respect to any Loan on any date after the date such Loan is transferred to the Borrower shall be communicated by the Administrative Agent to the Borrower, the Collateral Manager, the Collateral Custodian and the Lenders.

“**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**”: As of any day, an amount equal to the excess, if any, of (i) the Borrowing Base minus (ii) the Advances Outstanding on such day; *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 earliest to occur of the Revolving Period End Date, the Revolving Period Termination Date and the Termination Date, the Availability shall be zero.

“**Available Funds**”: With respect to any Payment Date, all amounts on deposit in the Collection Account (including, without limitation, any Collections) as of the last day of the related Collection Period.

“**Bail-In Action**”: The exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**”: With respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“**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 has elected 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.

“**Benchmark**”: Initially, Daily Simple SOFR; provided that if a Benchmark Transition Event with respect to Daily Simple SOFR has occurred, then “Benchmark” means, with respect to the Obligations, interest, fees, commissions or other amounts payable, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to such Section 12.1.

“**Benchmark Replacement**”: ~~The~~ With respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate ~~(which may include Term SOFR)~~ that has been selected

by the Administrative Agent and the Borrower **as the replacement for the Benchmark**, giving due consideration to (i) any selection or recommendation of a replacement **benchmark** rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a **benchmark** rate of interest as a replacement to ~~the LIBOR Rate for Dollar-denominated~~ **such Benchmark for** syndicated credit facilities and (b) the **related** Benchmark Replacement Adjustment, **if any**; provided that, if ~~the such~~ **such** Benchmark Replacement as so determined would be less than ~~zero~~, the **Floor, such** Benchmark Replacement will be deemed to be ~~zero for~~ the **Floor for** purposes of this Agreement **and the other Transaction Documents**.

“**Benchmark Replacement Adjustment**”: With respect to any replacement of ~~the LIBOR Rate~~ **any then-current Benchmark** with an Unadjusted Benchmark Replacement ~~for each applicable Accrual Period~~, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of ~~the LIBOR Rates~~ **such Benchmark** with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of ~~the LIBOR Rates~~ **such Benchmark** with the applicable Unadjusted Benchmark Replacement for ~~Dollar-denominated~~ **Dollar-denominated** syndicated credit facilities at such time.

~~“**Benchmark Replacement Conforming Changes**”: With respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Accrual Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent, in consultation with the Borrower, decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).~~

“**Benchmark Replacement Date**”: The earlier to occur of the following events with respect to the ~~LIBOR Rate~~ **then-current Benchmark**:

(i) in the case of clause (i) or (ii) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of ~~the LIBOR Rates~~ **such Benchmark (or the published component used in the calculation thereof)** permanently or indefinitely ceases to provide ~~the LIBOR Rates~~ **such Benchmark**; or

(ii) in the case of clause (iii) of the definition of “Benchmark Transition Event,” the **first date of the public on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks**;

provided that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication of information referenced therein in such clause (c) and even if any other tenor of such Benchmark (or such component thereof) continues to be provided on such date.

“Benchmark Transition Event”: ~~The~~ With respect to the then-current Benchmark, the occurrence of one or more of the following events with respect to the ~~LIBOR Rate~~ Benchmark:

(~~1a~~) a public statement or publication of information by or on behalf of the administrator of ~~the LIBOR Rate~~ such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide ~~the LIBOR Rate~~ such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Rate any such Benchmark (or such component);

(~~2b~~) a public statement or publication of information by the regulatory supervisor for the administrator of ~~the LIBOR Rate, the U.S. such Benchmark (or the published component used in the calculation thereof), the~~ Federal Reserve ~~System Board, the Federal Reserve Bank of New York~~, an insolvency official with jurisdiction over the administrator for ~~the LIBOR Rate~~ such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for ~~the LIBOR Rate~~ such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for ~~the LIBOR Rate~~ such Benchmark (or such component), which states that the administrator of ~~the LIBOR Rate~~ such Benchmark (or such component) has ceased or will cease to provide ~~the LIBOR Rate~~ such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Rate such Benchmark (or such component thereof); or

(~~3c~~) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of ~~the LIBOR Rate~~ announcing that the LIBOR Rate is no longer representative such Benchmark (or such component thereof) announcing that such Benchmark (or such component thereof) is not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

“Benchmark Transition Start Date”: (~~a~~) In Following the ~~ease~~ occurrence of a Benchmark Transition Event with respect to a then-current Benchmark, the earlier of (~~1a~~) the applicable Benchmark Replacement Date and (~~2b~~) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) ~~and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.~~

“Benchmark Unavailability Period”: ~~If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBOR Rate and solely to the extent that the LIBOR Rate has not been replaced with a~~ With respect to any then-current Benchmark ~~Replacement~~, the period (if any) (x) beginning at the time that ~~such~~ a Benchmark

Replacement Date with respect to such Benchmark pursuant to clauses (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced ~~the LIBOR Rate~~ such Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 12.1 and (y) ending at the time that a Benchmark Replacement has replaced ~~the LIBOR Rate~~ such Benchmark for all purposes hereunder ~~pursuant to~~ and under any Transaction Document in accordance with Section 12.1.

“Beneficial Ownership Certification”: A certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities Industry and Financial Markets Association.

“Beneficial Ownership Regulation”: 31 C.F.R. § 1010.230.

“BHC Act Affiliate”: The meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Borrower”: The meaning specified in the Preamble.

“Borrower LLC Agreement”: The Third Amended and Restated Limited Liability Company Agreement of the Borrower, dated as of December 18, 2014, 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 greater of (A) zero and (B) the least of:

(a) an amount equal to (i) the product of (x) the Aggregate OLB on such date minus the Excess Concentration Amount on such date and (y) the Weighted Average Advance Rate on such date, plus (ii) the amount on deposit in the Principal Collection Account on such date minus (iii) the Unfunded Exposure Equity Amount on such date plus (iv) the amount on deposit in the Unfunded Exposure Account on such date;

(b) an amount equal to (i) the Aggregate OLB on such date, minus (ii) the Required Minimum Equity Amount on such date, plus (iii) the amount on deposit in the Principal Collection Account on such date, minus (iv) the Unfunded Exposure Equity Amount on such date plus (v) the amount on deposit in the Unfunded Exposure Account on such date minus (vi) the Excess Concentration Amount; and

(c) an amount equal to (i) the Facility Amount as of such date, minus (ii) the Aggregate Unfunded Exposure Amount on such date, plus (iii) the amount on deposit in the Unfunded Exposure Account on such date.

“Borrowing Base Certificate”: A certificate, in the form of Exhibit A-4, setting forth, among other things, the calculation of the Borrowing Base as of 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 other than on a Payment Date. 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.

“Broadly Syndicated Loan”: Any First Lien Loan that (i) is issued pursuant to an Underlying Instrument governing the issuance of Indebtedness of the related Obligor having an aggregate principal amount (whether drawn or undrawn) of, as of the later to occur of the Fourth Amendment Closing Date and the date of acquisition of such First Lien Loan by the Borrower, \$350,000,000 or greater and (ii) has a related Obligor with EBITDA of, as of the later to occur of the Fourth Amendment Closing Date and the date of acquisition of such First Lien Loan by the Borrower, at least \$75,000,000 for the twelve months immediately prior (which may be determined on an annualized basis if the Obligor has been in operation for less than twelve months as of the later to occur of the Fourth Amendment Closing Date and the date of acquisition of such First Lien Loan by the Borrower).

“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; ~~or 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 Manager 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 Manager, threatened imposition of any Lien on any limited liability company membership interest in the Borrower;
- (b) the Borrower LLC Agreement shall fail to be in full force and effect;
- (c) the failure of the Collateral Manager to directly or indirectly own 100% of the limited liability company membership interests in the Borrower;
- (d) 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 Manager; or
- (e) any Taxable Entity Agreement shall fail to be in full force and effect.

“Clearing Agency”: An organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act.

“Code”: The Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated or issued thereunder.

“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 (as defined in the UCC), 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; 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”: One or more Securities Accounts 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 Lien of the Administrative Agent for the benefit of the Secured Parties.

“Collateral Custodian”: Wells Fargo, 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 December 17, 2014, as acknowledged by the Collateral Manager.

“Collateral Custodian Termination Notice”: The meaning specified in [Section 7.5](#).

“Collateral Manager”: The meaning specified in the [Preamble](#).

“Collateral Manager Default”: The occurrence of any one or more of the following:

- (a) the Collateral Manager fails to observe or perform in any material respect any covenant or agreement applicable to it in any Transaction Document (it being understood and agreed that the Collateral Manager shall have no responsibility for the creditworthiness or continuing eligibility of any Eligible Loan) and such failure continues unremedied for a period of

30 days (if such failure can be remedied) after the earlier to occur of (A) a Responsible Officer of the Collateral Manager's actual knowledge of such failure or (B) its receipt of written notice of such failure;

(b) the occurrence of an Event of Default described in any of Sections 9.1(b), (c) or (d) that results primarily from any material breach by the Collateral Manager of its duties under the Transaction Documents and which continues to be unremedied for a period of ten (10) Business Days;

(c) an Insolvency Event shall occur with respect to the Collateral Manager;

(d) (A) the occurrence of an act by the Collateral Manager that constitutes fraud or criminal activity in the performance of its obligations under the Transaction Documents (as determined pursuant to a final adjudication by a court of competent jurisdiction), (B) the Collateral Manager being convicted (after all appeals and the expiration of time to appeal) of a criminal offense materially related to its business of providing asset management services or (C) any responsible officer of the Collateral Manager primarily responsible for the performance by the Collateral Manager of its obligations under the Transaction Documents (in the performance of his or her investment management duties) is convicted (after all appeals and the expiration of time to appeal) of a criminal offense materially related to the business of the Collateral Manager providing asset management services and continues to have responsibility for the performance by the Collateral Manager under the Transaction Documents for a period of 30 days after the final such appeal;

(e) any failure by the Collateral Manager 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;

(f) the failure of the Collateral Manager 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 \$15,000,000, 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;

(g) the Collateral Manager shall cease to be the sole member of the Borrower or, other than in accordance with Section 6.10 or 6.11, shall cease to act in the capacity of Collateral Manager;

(h) the occurrence or existence of any change with respect to the Collateral Manager which the Administrative Agent in its sole discretion determines has a Material Adverse Effect (*provided* that, the withdrawal of the Collateral Manager's election to be regulated as a business development company shall not constitute a Material Adverse Effect on the Collateral Manager);

(i) any Change of Control described in clause (c), (d) or (e) of the definition thereof occurs;

(j) any failure by the Collateral Manager 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; or



(k) the rendering against the Collateral Manager of one or more final judgments, decrees or orders for the payment of money in excess of United States \$15,000,000, 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.

“Collateral Manager Termination Notice”: The meaning specified in Section 6.11

“Collection Account”: Collectively, the Interest Collection Account and the Principal Collection Account.

“Collection Period”: The period from but excluding the Determination Date immediately preceding the previous Payment Date to and including the Determination Date immediately preceding the current Payment Date (or, in the case of the final Payment Date, to and including such Payment Date).

“Collections”: All cash collections and other cash proceeds of any Collateral, including, without limitation or duplication, any Interest Collections, Principal Collections, collections on Permitted Investments or other amounts received in respect thereof (but excluding any Excluded Amounts).

“Commitment”: With respect to each Lender, the commitment of such Lender to make Loan Advances in accordance herewith in an amount up to (a) prior to the earlier to occur of the applicable Revolving Period End Date or the Termination Date and unless a Curable BDC Asset Coverage Event has occurred and is continuing, the dollar amount set forth opposite such Lender’s name on Annex B hereto or the amount set forth as such Lender’s “Commitment” on Schedule I to the Joinder Supplement relating to such Lender, as such amounts may be reduced, increased or assigned from time to time pursuant to the terms of this Agreement, and (b) if a Curable BDC Asset Coverage Event has occurred and is continuing and on or after the earlier to occur of the applicable 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.

“Commitment Reduction Percentage”: On or prior to the one-year anniversary of the Fifth Amendment Closing Date, a percentage equal to 1.00%.

“Conforming Changes”: With respect to the use or administration of Daily Simple SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Accrual Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.12 and other technical, administrative or operational matters) that the Administrative Agent decides (in consultation with the Borrower) may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice

for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides (in consultation with the Borrower) is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

“Connection Income Taxes”: Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“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 specified on Annex A 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 A&R Effective Date and ending on the date on which all Commitments have been terminated and the Obligations have been paid in full (other than contingent indemnification and reimbursement obligations for which no claim giving rise thereto has been asserted).

“Covered Party”: Any Secured Party that is one of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b), or any subsidiary of such a covered bank to which 12 C.F.R. Part 47 applies in accordance with 12 C.F.R. §47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

“Credit and Collection Policy”: The written credit policies and procedures manual of the Collateral Manager 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(s).

“Daily Simple SOFR” means for any day (a “SOFR Rate Day”), a rate per annum equal to the greater of (a) SOFR for the day (such day, a “SOFR Determination Day”) that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website, and (b) the Floor. If by 5:00 p.m. on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator’s Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in

**SOFR without notice to the Borrower. Daily Simple SOFR in no event shall be less than the Floor.**

“**Default**”: Any event that, with the giving of notice or the lapse of time, or both, would become an Event of Default.

“**Default Right**”: The meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**Defaulting Lender**”: Any Lender that (i) has failed to fund any portion of the Advances or participations in Swingline Advances required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (ii) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless such amount is the subject of a good faith dispute, (iii) has notified the Borrower, the Administrative Agent or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply or has failed to comply with its funding obligations under this Agreement or generally under other agreements in which it commits or is obligated to extend credit or has failed to confirm in writing within five (5) Business Days of any reasonable request by the Administrative Agent or the Borrower that it intends to comply with its funding obligations under this Agreement, (iv) has become or is insolvent or has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or (v) becomes subject to a Bail-In Action.

“**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, such Loan shall only be considered a Delayed Draw Loan for so long as any future funding obligations remain in effect and only with respect to any portion which constitutes a future funding obligation.

“**Designated Loan**”: Any Loan that the Administrative Agent, in its sole discretion, has designated as a “Designated Loan” on the related Approval Notice solely for the purposes of determining the Assigned Value of such Loan in reference to the “Minimum Facility Attachment Ratio” specified therefor and set forth in the definition of “Assigned Value.”

“**Determination Date**”: The last day of each calendar month; *provided* that, with respect to the Termination Date, the Determination Date shall be the Termination 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 (iii) 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 2.14(b).

“**Discretionary Sale Date**”: With respect to any Discretionary Sale, the Business Day on which such Discretionary Sale occurs.

**“Disruption Event” means the occurrence of any of the following: (a) any Lender shall have notified the Administrative Agent, the Collateral Custodian, the Collateral**

Manager and the Borrower 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 Dollars to fund any Advance, (b) any Lender shall have notified the Administrative Agent, the Collateral Custodian, the Collateral Manager and the Borrower of a determination by such Lender that the rate at which Dollars are being offered to such Lender 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, the Collateral Manager and the Borrower of the inability of such Lender, as applicable, to obtain Dollars to make, fund or maintain any Advance; provided that if the circumstances described above have arisen and such circumstances are unlikely to be temporary then no Disruption Event shall have been deemed to occur and a Benchmark Transition Event shall have occurred.

“Distressed Loan”: Any Loan (a)(i) that is issued pursuant to an Underlying Instrument governing the issuance of Indebtedness having an aggregate principal amount (whether drawn or undrawn) of less than U.S.\$350,000,000 at the time of issuance, (ii) with respect to which the EBITDA of the related Obligor set forth on the most recently delivered financial statements is less than \$75,000,000, (iii) that is not rated by S&P and Moody’s (or the Obligor thereof is not rated by S&P and Moody’s) and (iv) either (x) for which bid side prices cannot be obtained from at least two Approved Broker Dealers or (y) for which the average bid side prices obtained from Approved Broker Dealers is less than 80% (expressed as a percentage of par) or (b)(i) that is a Non-First Lien Loan, (ii) for which the average bid side prices obtained from Approved Broker Dealers is less than 95% (expressed as a percentage of par) and (iii) for which the Total Leverage Ratio of the related Obligor with respect to such Non-First Lien Loan is greater than 6.00.

“Dollars”: Means, and the conventional “\$” signifies, the lawful currency of the United States.

~~“Early Opt-in Election”: The occurrence of:~~

~~(1) (i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower and the Collateral Manager) that the Required Lenders have determined that Dollar denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 12.1 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBOR Rate, and~~

~~(2) (i) the election by the Administrative Agent or (ii) the election by the Required Lenders, in each case, in consultation with the Borrower, to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower, the Collateral Manager and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent;~~

“EBITDA”: With respect to the Relevant Test Period with respect to the related Loan, the meaning of “EBITDA”, “Adjusted EBITDA” or any comparable definition in the related Underlying Instruments, 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 or subsidiary 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 Relevant Test 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.

“EEA Financial Institution”: (a) Any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country”: Any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority”: Any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“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”, the Collateral Custodian will receive) the related Required Loan Documents; (B) that has been approved by the Administrative Agent in its sole discretion on or prior to the date of the related Transaction; 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, a First Lien Last Out Loan, a Second Lien Loan or a Recurring Revenue 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 the sum of the OLBs of all Loans denominated in a currency other than Dollars may comprise up to 5% of the Aggregate OLB;
- (c) the acquisition of such Loan will not cause the Borrower or the pool of Collateral to be required to register as an investment company under the 1940 Act;
- (d) such Loan does not constitute a DIP Loan;
- (e) the primary Underlying Asset for such Loan is not real property;
- (f) such Loan is in the form of and is treated as indebtedness of the related Obligor for United States federal income tax purposes and is not a United States real property interest as defined under Section 897 of the Code;
- (g) as of the date such Loan is first included as part of the Collateral hereunder (or, if earlier, under any of the Existing Loan and Security Agreements), such Loan is not delinquent in payment after taking into account any applicable grace or cure period;

(h) such Loan and any Underlying Assets comply in all material respects with all Applicable Laws;

(i) 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;

(j) such Loan, together with the Underlying Instruments related thereto, (i) is, to the knowledge of the Borrower following the 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 thereof except as required by law;

(k) such Loan (i) was originated by the Borrower (and underwritten by New Mountain Finance Advisers BDC, L.L.C., the investment advisor of the Collateral Manager, on behalf of the Borrower and its Affiliates), or was purchased by the Borrower from a third-party (and re-underwritten by New Mountain Finance Advisers BDC, L.L.C., the investment advisor of the Collateral Manager, on behalf of the Borrower and its Affiliates), in each case in accordance with the Credit and Collection Policy, and (ii) is fully documented;

(l) 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;

(m) 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 (subject to customary carveouts);

(n) 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;

(o) 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;

(p) 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;

(q) such Loan has an original term to stated maturity that does not exceed ten (10) years;

(r) 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;

(s) such Loan requires (i) periodic payments of accrued and unpaid interest in cash (x) in a minimum amount of (A) if such Loan has a floating interest rate based on LIBOR, such LIBOR rate plus 2% per annum, (B) if such Loan has a floating interest rate based on the Prime Rate, the Prime Rate or (C) if such Loan has a fixed interest rate, 6% per annum and (y) on a current basis no less frequently than semi-annually and (ii) a fixed amount of principal payable in cash no later than its stated maturity;

(t) if such Loan is a registration-required obligation within the meaning of Section 163(f)(2) of the Code, such Loan is Registered;

(u) such Loan is not a participation interest;

(v) all information provided by the Borrower or the Collateral Manager with respect to the Loan is true, correct and complete in all material respects as of the date such information is provided;

(w) 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;

(x) such Loan does not constitute Margin Stock;

(y) unless such Loan is a Delayed Draw Loan or a Revolving Loan, 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; *provided* that, if such Loan is a Delayed Draw Loan or a Revolving Loan, the acquisition of such Loan would not cause the sum of the OLBs of all Loans that are Delayed Draw Loans or Revolving Loans plus the Aggregate Unfunded Exposure Amount to exceed the greater of (i) 10% of the Aggregate OLB plus the Aggregate Unfunded Exposure Amount as of such date and (ii) the Applicable Future Funding Limit Amount set forth on Annex C;

(z) the Obligor of such Loan is an Eligible Obligor; *provided* that with respect to clause (f) of such term, only the Loans or portions thereof exceeding the thresholds set forth in such clause (f) shall be deemed to be Loans with Obligors that are not Eligible Obligors;

(aa) such Loan shall not cause the sum of the aggregate OLBs and Unfunded Exposure Amounts of Loans that are Recurring Revenue Loans to exceed the greater of (i) 10% of the Aggregate OLB as of such date and (ii) the applicable amount noted in Annex C; and

(ab) 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 Schedule set forth on Schedule III hereto as of the A&R Effective Date shall be deemed to be approved by the Administrative Agent.

“Eligible Obligor”: 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 or the Collateral Manager;

(d) that is organized or incorporated in (i) the United States (or any State thereof) or (ii) if approved in writing by the Administrative Agent in its sole discretion, any other country;

(e) 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;

(f) where the sum of the OLBs of all Eligible Loans made to such Obligor (including any Affiliate thereof) does not exceed (i) the Applicable Top-3 Obligor Amount set forth on Annex C if such Obligor is one of the three (3) largest Obligor (by aggregate OLB of all Eligible Loans to such Obligor), (ii) the Applicable Next Top-3 Obligor Amount set forth on Annex C if such Obligor is one of the next three (3) largest Obligor (by aggregate OLB of all Eligible Loans to such Obligor (not including any Obligor described in clause (i))) or (iii) the Applicable Other Obligor Amount set forth on Annex C if neither clause (i) nor clause (ii) above apply; and

(g) where the sum of the OLBs of Eligible Loans that are Non-First Lien Loans made to such Obligor (including any Affiliate thereof) does not exceed the Applicable Non-First Lien Loan Obligor Amount set forth on Annex C.

“Equity Security”: (i) Any equity security or any other security that is not eligible for purchase by the Borrower as a Loan and (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.

“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.

“EU Bail-In Legislation Schedule”: The EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

~~“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, ~~(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 or (d) the LIBOR Rate ceases to exist or be reported on Reuters (unless this Agreement has been amended as set forth in clause (vi) of Section 12.1).~~

“Event of Default”: The meaning specified in Section 9.1.

“Excepted Persons”: The meaning specified in Section 12.13(a).

“Excess Concentration Amount”: The greater of (a) zero and (b) the greater of (x) the aggregate OLB of all Non-First Lien Loans minus the product of (A) the Aggregate OLB and (B) 35% and (y) the aggregate OLB of all Second Lien Loans minus the product of (A) the Aggregate OLB and (B) 25%.

“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, (i) which amount is attributable to the reimbursement of payment by the Borrower or any Affiliate (other than from amounts on deposit in the Collection Account) of any Tax, fee or other charge imposed by any Governmental Authority on such Loan or on any Underlying Assets or (ii) which amount was deposited into the Collection Account in error.

“Excluded Taxes”: Any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or a Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.13, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.13(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing A&R Loan and Security Agreement”: The meaning specified in the Recitals.

“Existing Loan and Security Agreements”: Collectively, the Existing A&R Loan and Security Agreement, the Existing Operating Loan and Security Agreement and the Existing SPV Loan and Security Agreement.

“Existing Operating Loan and Security Agreement”: That certain Amended and Restated Loan and Security Agreement, dated as of May 19, 2011 among the Borrower, the Lenders, the Administrative Agent and the Collateral Custodian.

“Existing SPV Loan and Security Agreement”: That certain Loan and Security Agreement, dated as of October 27, 2010, among the Borrower, the Lenders, the Administrative Agent and the Collateral Custodian

“Exposure Amount Shortfall”: The meaning specified in Section 2.2(e).

“Extending Lender”: The meaning specified in Section 2.3(c).

“Facility Amount”: An amount equal to the lesser of (i) the aggregate Commitments and (ii) \$800,000,000, as such amount may vary from time to time pursuant to Sections 2.1(c) and 2.3 hereof; *provided* that on or after the earlier to occur of the Revolving Period End Date with respect to all Commitments or the Termination Date, the Facility Amount shall mean the Advances Outstanding.

“Facility Attachment Ratio”: With respect to any Eligible Loan, as of any date of determination, an amount equal to (a) if such Eligible Loan is a First Lien Loan, the product of (i) the First Out Attachment Ratio, (ii) the applicable Advance Rate and (iii) the Assigned Value, (b) if such Eligible Loan is a First Lien Last Out Loan, the sum of (i) the First Out Attachment Ratio and (ii) the product of (A) the Last Out Attachment Ratio less the First Out Attachment Ratio, (B) the applicable Advance Rate and (C) the Assigned Value, (c) if such Eligible Loan is a Second Lien Loan, the sum of (i) the Net Senior Leverage Ratio and (ii) the product of (A) the Total Leverage Ratio less the Net Senior Leverage Ratio, (B) the applicable Advance Rate and (C) the Assigned Value, and (d) if such Eligible Loan is a Designated Loan, the applicable Facility Attachment Ratio calculation above for a First Lien Loan.

“Facility Maturity Date”: The two-year anniversary of the Revolving Period End Date with respect to all the Commitments.

“FATCA”: Sections 1471 through 1474 of the Code, as in effect on the A&R Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements (or related legislation or official administrative rules or practices) implementing the foregoing.

“FDIC”: The Federal Deposit Insurance Corporation, and any successor thereto.

“Federal Funds Rate”: For any day, a *per annum* rate equal 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 for such day (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. on such day.

“Federal Reserve Bank of New York’s Website”: The website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“Fee Letter”: Any Fee Letter among the Borrower, the Administrative Agent and/or any Lenders, as the same may be amended, restated, modified or supplemented from time to time.

“Fifth Amendment Closing Date”: April 20, 2021.

“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 Last Out Loan”: Any Loan that is (i) a commercial loan (ii) that by its terms could become subordinate in right of payment to another obligation of the Obligor in a bankruptcy, reorganization, insolvency, moratorium or liquidation proceedings, (iii) 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 applicable credit agreement) and (iv) the Collateral Manager 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”: 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 (subject to Liens permitted under the related Underlying Instruments that are reasonable and customary for similar loans, and Liens accorded priority by law in favor of the United States or any state or agency thereof) under Applicable Law and (iii) the Collateral Manager 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 Out Attachment Ratio”: With respect to any Eligible Loan, as of any date of determination, an amount equal to the “senior net leverage ratio” or any comparable term relating to any “first out” senior secured Indebtedness in the Underlying Instruments for such Loan; *provided* that if the “senior net leverage ratio” or such comparable term is not defined in the Underlying Instruments, then the First Out Attachment Ratio shall be the ratio of such “first out” senior secured Indebtedness (less Unrestricted Cash) to EBITDA, as calculated by the Collateral Manager in good faith using information from calculations consistent with the relevant compliance statements and financial reporting packages provided by the relevant Obligor as per the requirements of the Underlying Instruments. For the avoidance of doubt, “first out” senior secured Indebtedness refers to all or any portion of such Loan that constitutes first lien senior secured Indebtedness that is not (and cannot by its terms become) subordinate in right of payment to any obligation of the relevant Obligor in any bankruptcy, reorganization, arrangement, insolvency, moratorium or liquidation proceedings.

“Fitch”: Fitch Ratings, Inc. or any successor thereto.

**“Floor”: A rate of interest equal to 0.0%.**

“Foreign Lender”: A Lender that is not a U.S. Person.

“Fourth Amendment Closing Date”: September 30, 2020.

“Fronting Exposure”: At any time there is a Defaulting Lender, with respect to the Swingline Lender, such Defaulting Lender’s Pro Rata Share of Swingline Advances other than Swingline Advances as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders, repaid by the Borrower or for which cash collateral or other credit support acceptable to the Swingline Lender shall have been provided in accordance with the terms hereof.

“Funding Date”: With respect to any Loan Advance, the Business Day following the Business Day of receipt (or in the case of any Swingline Advance, the Business Day of receipt) by the Administrative Agent (which shall promptly deliver the same to each Revolving Lender or, in the case of any Swingline Advance, the Swingline 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.

“General Intangible”: The meaning specified in Section 9-102(a)(42) of the UCC.

“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 that an Affected Party has notified the Borrower pursuant to Section 2.12(d) are 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).

“Indemnified Taxes”: (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Transaction Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Independent”: As to any Person, any other Person (including, in the case of an accountant or lawyer, a firm of accountants or lawyers, and any member thereof, or an investment bank and any member thereof) who (a) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person or in any Affiliate of such Person (other than the payment of any amounts as compensation for actual services rendered), and (b) is not connected with such Person as an Officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions. “Independent” when used with respect to any accountant may include an accountant who audits the books of such Person if in addition to satisfying the criteria set forth above the accountant is independent with respect to such Person within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants.

“Independent Manager”: The meaning specified in Section 4.1(t)(xxv).

“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 Assigned Value”: With respect to any Loan, the “Initial Assigned Value”, if any, set forth on the related Approval Notice by the Administrative Agent in its sole discretion.

“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, the sum of the amounts determined (with respect to each day during such Accrual Period) in accordance with the following formula:

$$\text{IR} \times \text{P} \times \frac{1}{\text{D}}$$

where:

IR	=	the Interest Rate for such day;
P	=	the Advances Outstanding on such day; and
D	=	360 days (or, to the extent the Interest Rate for such day is determined pursuant to the proviso of the definition thereof, 365 or 366 days, as applicable).

*provided* 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 and (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.

“Interest Collections”: All payments of interest, late fees, amendment fees, prepayment fees and premiums, extension fees, consent fees and waiver fees 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 a 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”: One or more Securities Accounts 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 Lien of the Administrative Agent for the benefit of the Secured Parties.

“Interest Rate”: With respect to any day, a rate per annum equal to (a) the ~~LIBOR Rate~~ Benchmark for such day plus (b) the Applicable Spread for such day; *provided* that, for any day after the occurrence and during the continuance of a ~~Eurodollar~~ Disruption Event, the “Interest Rate” on that portion of the Advances Outstanding owing to the affected Lender shall

mean a rate per annum equal to (x) the Base Rate for such day plus (y) the Applicable Spread for such day.

“Intermediary”: 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 Manager.

“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 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.

“IRS”: The United States Internal Revenue Service.

“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 A&R Effective Date, as contemplated by Section 2.1(c).

“Last Out Attachment Ratio”: With respect to any Loan, the Net Senior Leverage Ratio.

“Lenders”: The meaning specified in the Preamble, including Wells Fargo, 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). For the avoidance of doubt, the Swingline Lender shall constitute a “Lender” with respect to the repayment of Swingline Advances for all purposes hereunder.

~~“LIBOR Rate”: For any day, the greater of (x) 0.00% and (y)(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 Wells Fargo 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.

“Loan”: Any loan made by the Borrower or by a commercial bank, an investment bank, investment fund or other financial institution and acquired by the Borrower; *provided* that, any such loan is similar to those typically made to a commercial client or syndicated, sold or participated to a commercial bank or institutional loan investor or other financial institution in the ordinary course of business.

“Loan Advance”: The meaning specified in Section 2.1(a).

“Loan Checklist”: An electronic or hard copy, as applicable, of a checklist in the form of Exhibit K delivered by or on behalf of the Borrower to the Collateral Custodian for each Loan of

all related Required Loan Documents, which shall also specify whether such document is an original or a copy.

“Loan File”: With respect to each Loan, a file containing (a) each of the documents and items as set forth on the Loan Checklist (to the extent reasonably available to the Borrower or the Collateral Manager) with respect to such Loan and (b) duly executed originals and copies of any other relevant records relating to such Loans and the Underlying Assets pertaining thereto.

“Loan Register”: The meaning specified in Section 5.3(n).

“Loan Schedule”: The Loan Schedule 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 Value”: With respect to any Loan (other than a Distressed Loan) as of any date of determination, the price (expressed as a percentage of par) as of the immediately preceding Measurement Date (or, if such date is a Measurement Date, as of such date) determined in the following manner:

(a) by using the bid side quote determined by any of Loan Pricing Corporation, MarkIt Partners or any other nationally recognized loan pricing service or broker quote selected by the Collateral Manager and approved in writing by the Administrative Agent; *provided* that, if such Loan is a Distressed Loan or if the Administrative Agent or the Collateral Manager reasonably determines that any such quote is not current or accurate, either of the Administrative Agent or the Collateral Manager may reject such quote;

(b) if the value of a Loan is not determined in accordance with clause (a) above (either because no bid side quote is available or the Administrative Agent or the Collateral Manager reasonably rejects any such quote), by using the average of the bid side quotes determined by three Approved Broker Dealers active in the trading of such asset; or

(i) if only two such bids can be obtained, the average of the bid side quotes of such two bids; or

(ii) if only one such bid can be obtained, such bid;

*provided* that, if the Administrative Agent reasonably determines that the quote of any such Approved Broker Dealer is not current or accurate, the Administrative Agent may reject such quote; or

(c) if the value of a Loan is not determined in accordance with clause (a) or (b) above (either because no bid side quote is available or the Administrative Agent reasonably rejects one or more bid side quotes), by using the value assigned by the Administrative Agent in a notice thereof sent to the Collateral Manager and the Collateral Custodian.

“Markit”: The Markit Loan Pricing service, a division of Markit Group Limited.

“Material Action”: The meaning specified in the Borrower LLC Agreement.



**“Material Adverse Effect”**: With respect to any event or circumstance, a material adverse effect on (a) the business, assets, 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 Manager 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) (i) reduces, delays or waives any or all of the principal amount of such Loan as and when due or (ii) extends or delays (A) the stated maturity date of such Loan or (B) the required or scheduled amortization for such Loan, and such extension or delay has not been approved by the Administrative Agent in its sole reasonable discretion;

(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 (other than any such waiver that occurs without any further action in accordance with the terms of the applicable Underlying Instrument);

(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;

(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 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”, “Recurring Revenue”, “Total Leverage Ratio” or “Cash Interest Coverage Ratio” (or any respective comparable definition in its Underlying Instruments) or the definition of any component thereof (including any adjustment to EBITDA or similar definition) in a manner that, in the sole discretion of the Administrative Agent, is materially adverse to the Administrative Agent or the Lenders; *provided* that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Administrative Agent may waive any Material Modification resulting from such implementation pursuant to this clause (e).

**“Measurement Date”**: Each of the following: (i) the A&R Effective Date; (ii) each date on which a Value Adjustment Event occurs; (iii) each Determination Date, (iv) the date of each Transaction and (v) the date of each Discretionary Sale.

**“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 Manager in good faith using information from and calculations consistent with the relevant compliance statements and financial reporting packages provided by the relevant Obligor in accordance with the requirements of the related Underlying Instruments.

**“Non-Consenting Lender”**: A Lender (other than a Lender which is administered by the Administrative Agent or an Affiliate of the Administrative Agent) whose approval is required for an Applicable Amendment and who has given notice that it will not consent to such Applicable Amendment or has failed to approve such Applicable Amendment within five (5) Business Days after written request therefor from the Administrative Agent or the Borrower.

**“Non-Extending Lender”**: The meaning specified in Section 2.3(c).

**“Non-First Lien Loan”**: A Second Lien Loan or a First Lien Last Out Loan.

**“Non-Usage Fee”**: A fee with respect to each Accrual Period in an amount equal to the sum for each day during such Accrual Period of (x) the product of (a) the Unused Facility Amount as of the close of business on such day multiplied by (b) the Non-Usage Fee Rate with respect to such day, divided by (y) 365.

**“Non-Usage Fee Rate”**: For each day, the sum of (a) 0.50% on the first portion of the Unused Facility Amount up to the product of (i) 40% and (ii) the Facility Amount and (b) for all Unused Facility Amount in excess of such first portion, 2.00%.

**“Noteless Loan”**: A Loan with respect to which the Underlying Instruments either (i) do not require the Obligor to execute and deliver a promissory note to evidence the indebtedness created under such Loan or (ii) require execution and delivery of such a promissory note only upon the request of any holder of the indebtedness created under such Loan, and as to which the Borrower has not requested a promissory note from the related Obligor.

**“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.

“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 product of (x) the Assigned Value of such Loan as of such date of determination, and (y) the principal balance of such Loan outstanding as of such date of determination.

“Operating Lease Implementation”: The implementation by an Obligor of IFRS 16/ASC 842.

“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 of the related Approval Notice.

“Original Closing Date”: With respect to (a) the Existing A&R Loan and Security Agreement, December 18, 2014, (b) the Existing SPV Loan and Security Agreement, October 27, 2010 and (c) the Existing Operating Loan and Security Agreement, May 19, 2011, as applicable.

“Original Net Senior Leverage Ratio”: With respect to any Loan, the Net Senior Leverage Ratio for such Loan on the date of the related Approval Notice.

“Original Total Leverage Ratio”: With respect to any Loan, the Total Leverage Ratio for such Loan on the date of the related Approval Notice (or, if consented to by the Administrative Agent, on the A&R Effective Date).

“Other Connection Taxes”: With respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Advance or Transaction Document).

“Other Taxes”: All present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Transaction Document or any 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, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to a request by the Borrower).

“Participant Register”: The meaning specified in Section 12.16(b).

“Payment Date”: The fourth Business Day of each calendar month.

“Payment Duties”: The meaning specified in Section 7.2(b)(vii).

“Pension Plans”: The meaning specified in Section 4.1(v).

“Permanent BDC Asset Coverage Event”: The meaning specified in Section 5.1(s).

“Permitted Investment Required Ratings”: With respect to any obligation or security, (a) if such obligation or security (i) has both a long-term and a short-term credit rating from Moody’s, such ratings are “Aa3” or better (not on credit watch for possible downgrade) and “P-1” (not on credit watch for possible downgrade), respectively, (ii) has only a long-term credit rating from Moody’s, such rating is “Aaa” (not on credit watch for possible downgrade) or (iii) has only a short-term credit rating from Moody’s, such rating is “P-1” (not on credit watch for possible downgrade) and (b) for securities (x) with original maturities up to 30 days, a short-term credit rating of at least “F1” and a long-term credit rating of at least “A” (if such long-term rating exists) from Fitch or (y) with original maturities of more than 30 days but not in excess of 365 days, a short-term credit rating of “F1+” and a long-term credit rating of at least “AA-” (if such long-term rating exists) from Fitch.

“Permitted Investments”: (i) Cash or (ii) any United States dollar investment that, at the time it is delivered to the Collateral Custodian (directly or through an intermediary or bailee), is one or more of the following obligations or securities (which may include obligations or securities for which the Collateral Custodian or an Affiliate of the Collateral Custodian provides services or receives compensation):

(a) direct obligations of, and obligations the timely payment of principal and interest on which is fully and expressly guaranteed by, the United States of America or any agency or instrumentality of the United States of America the obligations of which are expressly backed by the full faith and credit of the United States of America and which satisfy the Permitted Investment Required Ratings;

(b) demand and time deposits in, certificates of deposit of, trust accounts with, bankers’ acceptances issued by, or federal funds sold by any depository institution or trust company incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by federal and/or state banking authorities, in each case payable within 183 days of issuance, so long as the commercial paper and/or the debt obligations of such depository institution or trust company (or, in the case of the principal depository institution in a holding company system, the commercial paper or debt obligations of such holding company) at the time of such investment or contractual commitment providing for such investment have the Permitted Investment Required Ratings;

(c) commercial paper (excluding extendible commercial paper or asset backed commercial paper) which satisfies the Permitted Investment Required Ratings; and

(d) shares or other securities of non-United States registered money market funds which funds have, at all times, credit ratings of Aaa-mf by Moody’s and AAAM by S&P;

*provided that, (A) Permitted Investments purchased with funds in the Collection Account shall be held until maturity except as otherwise specifically provided herein and shall include*

only such obligations or securities, other than those referred to in clause (d) above, as mature (or are puttable at par to the issuer or obligor thereof) no later than the Business Day prior to the next Payment Date (unless such Permitted Investments are issued by the Collateral Custodian in its capacity as a banking institution, in which case such Permitted Investments may mature on such Payment Date), and (B) Permitted Investments shall exclude any investments not treated as “cash equivalents” for purposes of Section 101(c)(8)(iii)(A) of the regulations implementing the Volcker Rule in accordance with any applicable interpretive guidance thereunder. For the avoidance of doubt, the Borrower shall only acquire Permitted Investments that, in the commercially reasonable belief of the Collateral Manager, are “cash equivalents” as defined in the Volcker Rule. The Collateral Custodian shall have no obligation to oversee or monitor compliance with the foregoing.

“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 banks’, securities intermediaries’, 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 or expressly permitted thereby.

“Person”: An individual, group, sector, territory, or country, partnership, corporation, company, limited liability company, limited liability partnership, joint stock company, trust (including a statutory or business trust), estate, unincorporated association, sole proprietorship, joint venture, nonprofit corporation, group, sector, government (or any agency, instrumentality or political subdivision thereof), territory or other entity or organization.

“Prime Rate”: The greater of (x) zero and (y) 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 in respect of the Loans, Permitted Investments and Equity Securities 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”: One or more Securities Accounts 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 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 amount of the Commitment of (or, after the applicable Revolving Period End Date, the Advances Outstanding owing to) such Lender (as determined pursuant to the definition of Commitment) by the Facility Amount.

“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.

“Promissory Note”: A promissory note made payable to a Lender substantially in the form mutually agreed by the Borrower, the Administrative Agent and such Lender.

“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 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); *provided* that, if the ratio of clause (i) to clause (ii) above with respect to a Loan acquired by the Borrower in the secondary market is equal to 95% or higher, such Loan shall be deemed to have a Purchase Price of 100%.

“QFC”: The meaning assigned to the term “qualified financial contract” in, and interpreted in accordance with, 12 U.S.C. 5390(c)(8) (D).

“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.

“Recipient”: (a) The Administrative Agent, and (b) any Lender, as applicable.

“Recurring Revenue”: With respect to any Recurring Revenue Loan, the meaning of “Recurring Revenue” or any comparable definition or term in the related Underlying Instruments relating to recurring maintenance or support revenues, subscription revenues, and recurring revenues attributable to software licensed or sold (excluding one-time license revenues) in the Underlying Instruments for such Loan.

“Recurring Revenue Loan”: A Loan that (i) has a related Obligor organized under the law of the United States and is denominated in Dollars, (ii) is secured by a pledge of collateral, which security interest is validly perfected and first priority under Applicable Law, (iii) has a related Obligor that is principally engaged in an enterprise software business that derives revenue primarily under contractual agreements and/or selling software as a service, (iv) is structured or underwritten based on a multiple of the related Obligor’s Recurring Revenue, and (v) that contains a Recurring Revenue Loan Covenant Flip Scheduled Date (which date is no later than the 3 year anniversary of the date on which the Borrower acquired such Loan; *provided* that the Administrative Agent may re-designate such Loan as a First Lien Loan or a Second Lien Loan in its sole discretion if the recurring revenue covenants in the related Underlying Instruments are replaced (whether by amendment or by operation of such Underlying Instruments) with traditional cash flow leverage lending covenants (such as those based on total leverage, senior

leverage, and interest coverage) (a “Recurring Revenue Reclassification Date”). For any Loan subject to a Recurring Revenue Reclassification Date, any references to the Senior Leverage Ratio and Interest Coverage Ratio as of the date on which such Loan was acquired by the Borrower shall be deemed to mean such ratios determined by the Administrative Agent in its sole discretion as of the Recurring Revenue Reclassification Date.

“Recurring Revenue Loan Cash Liquidity Amount”: With respect to any Recurring Revenue Loan, the meaning of “Unrestricted Cash” or any comparable definition or term in the Related Underlying Instruments, or, if no such definition is defined or otherwise set forth 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); *provided* that cash held in reserve accounts for the purpose of meeting interest payments on indebtedness may be included at the sole discretion of the Administrative Agent.

“Recurring Revenue Loan Covenant Flip Scheduled Date”: With respect to any Recurring Revenue Loan, as of its date of acquisition by the Borrower, the scheduled date upon which the covenants for such Loan are to be replaced with traditional cash flow leverage lending covenants (such as those based on total leverage, senior leverage, and interest coverage) as specified in the original Underlying Instruments for such Loan.

“Recurring Revenue Loan Gross Leverage Ratio”: With respect to any Recurring Revenue Loan, the ratio for the related Obligor of (a) indebtedness to (b) Recurring Revenue, as calculated by the Borrower and Collateral Manager in good faith using information from and calculations consistent with the relevant compliance statements and financial reporting packages provided by the relevant Obligor as per the requirements of the related Underlying Instruments.

“Recurring Revenue Reclassification Date”: The meaning specified in the definition of Recurring Revenue Loan.

“Reinvestment Notice”: Each notice required to be delivered by the Borrower pursuant to Section 3.2(a) in respect of any reinvestment, 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, Total 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 pursuant to Section 2.3 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(v).

“Reporting Date”: The third Business Day of each calendar month.

“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 Borrowing Base on such day and (b) zero.

“Required Lenders”: The Lenders representing an aggregate of more than 50% of the sum of (a) the Commitments then in effect of each Lender with respect to which neither the applicable Revolving Period End Date or the Termination Date has occurred *plus* (b) the outstanding Advances owing to each other Lender; *provided* that, for the purposes of determining the Required Lenders, (i) if at any time there is more than one non-Defaulting Lender (counting affiliated Lenders as a single Lender), at least two unaffiliated non-Defaulting Lenders shall be required to constitute “Required Lenders” and (ii) the Commitment of any Defaulting Lender shall be disregarded for purposes of determining whether the consent of the Required Lenders has been obtained and such Lender shall not constitute a Required Lender hereunder.

“Required Loan Documents”:

For each Loan, the following documents or instruments:

(a) (i) the original related executed promissory note (if any) 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 (ii) 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 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 (i) guaranty, (ii) credit agreement, (iii) loan agreement, (iv) note purchase agreement, (v) sale and servicing agreement, (vi) acquisition agreement (or similar agreement) and (vii) 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”: On any day, the greater of (x) \$250,000,000 and (y) the aggregate OLB of the Loans of the three (3) largest Obligor forming part of the Collateral.



“Required Reports”: Collectively, the Borrowing Base Certificate, the financial statements of Obligor and the Collateral Manager 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, administrative manager or managing member 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, administrative manager or managing member of such Person to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“Revenue Recognition Implementation”: The implementation by an Obligor of IFRS 15/ASC 606.

“Review Criteria”: The meaning specified in Section 7.2(b)(i).

“Revolving Lender”: Each Lender with a Commitment to fund Loan Advances.

“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 A&R Effective Date and ending on the day preceding the earlier to occur of the Revolving Period End Date with respect to all the Commitments or the Termination Date.

“Revolving Period End Date”: The earliest to occur of (a) the three-year anniversary of the Fifth Amendment Closing Date (as such date may be extended with respect to each Extending Lender pursuant to Section 2.3(c)), (b) a Permanent BDC Asset Coverage Event and (c) the Revolving Period Termination Date.

“Revolving Period Termination Date”: The date of the declaration of the Termination Date pursuant to Section 9.2(a).

“S&P”: Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, 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 Manager and the Collateral Custodian incurred in connection with any such sale.

“Sanction” or “Sanctions”: Individually and collectively, respectively, any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Treasury Department Office of Foreign Assets Control (“OFAC”), the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order, (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom, or (e) any other Governmental Authorities with jurisdiction over any Agreement Party or other Sanctions Party.

“Sanctioned Person”: Any Person that is a target of Sanctions, including without limitation, a Person that is: (a) listed on OFAC’s Specially Designated Nationals (SDN) and Blocked Persons List; (b) listed on OFAC’s Consolidated Non-SDN List; (c) a legal entity that is deemed by OFAC to be a Sanctions target based on the direct or indirect ownership or control of such legal entity by Sanctioned Person(s); or (d) a Person that is a Sanctions target pursuant to any territorial or country-based Sanctions program.

“Sanctions Party”: Individually and collectively, (a) each Affiliate or Subsidiary of an Agreement Party; (b) any owner of any Collateral securing any part of the Obligations or this Agreement; and (c) any officer, director, manager or employee acting on behalf of any Agreement Party with respect to the Obligations, this Agreement or the other Transaction Documents or the Required Loan Documents. With respect to any Person that is affiliated with an Agreement Party but which Person is not itself an Agreement Party, the term “Sanctions Party” shall not include a portfolio company of such Person or the officers or directors of such portfolio company unless such Person would otherwise be included in the definition of Sanctions Party.

“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.

“Second Lien Loan”: Any Loan that (x)(i) is secured by a pledge of collateral which security interest is validly perfected and second priority security under Applicable Law (subject to Liens permitted by the applicable Underlying Instruments), (ii) is either *pari passu* or second priority in right of payment with the Indebtedness of the holders of the first priority security interest and (iii) pursuant to an intercreditor agreement between the Borrower and the holder of such first priority security interest, the amount of Indebtedness covered by such first priority security interest is limited in terms of aggregate outstanding amount or percent of outstanding principal or (y) is designated by the Administrative Agent as a “Second Lien Loan” on the related Approval Notice.

“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 Third 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”: 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.

“Shareholders’ Equity”: The aggregate net asset value of New Mountain Finance Corporation determined under GAAP.

~~“SOFR”: With respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.~~

**“SOFR”: A rate equal to the secured overnight financing rate as administered by the SOFR Administrator.**

**“SOFR Administrator” means the Federal Reserve Bank of New York (or any successor administrator).**

**“SOFR Administrator’s Website” means the website of the SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.**

“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.

“Special Purpose Provision”: The meaning specified in the Borrower LLC Agreement.

“Structuring Fee”: The meaning specified in the applicable Fee Letter.

“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.

“Swingline Advance”: Any swingline loan made by the Swingline Lender to the Borrower pursuant to Section 2.1, and all such swingline loans collectively as the context requires.

“Swingline Commitment”: The commitment of the Swingline Lender to fund Swingline Advances, subject to the terms and conditions herein, in an amount not greater than \$50,000,000 (without regard to any future reimbursement of Swingline Advances by the Revolving Lenders), as such amount may be reduced, increased or assigned from time to time pursuant to the provisions of this Agreement. The Swingline Commitment is a sub-limit of the Commitment of

the Swingline Lender, in its capacity as a Revolving Lender hereunder, and is not in addition thereto.

“Swingline Lender”: The meaning specified in the Preamble.

“Swingline Refund Date”: The meaning specified in Section 2.15(a).

“Taxable Entity”: The BDC.

“Taxable Entity Agreement”: The collective reference to the organizational documents of the BDC.

“Taxes”: Any present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

~~“Term SOFR”: The forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~

“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 and (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).

“Third Amendment Closing Date”: May 7, 2019.

“Total Leverage Ratio”: With respect to any Loan for any Relevant Test Period, either (a) the meaning of “Total 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 “Total Leverage Ratio” or comparable definition, the ratio of (i) the total 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 Manager in good faith using information from and calculations consistent with the relevant compliance statements and financial reporting packages provided by the relevant Obligor in accordance with the requirements of the related Underlying Instruments.

“Transaction”: The meaning specified in Section 3.2.

“Transaction Documents”: This Agreement, the Securities Account Control Agreement, any Joinder Supplement, each Fee Letter, each Promissory Note and the Collateral Custodian Fee Letter.

“Unadjusted Benchmark Replacement”: The Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“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)(18) 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.

“Unfunded Exposure Account”: One or more Securities Accounts created and maintained on the books and records of the Collateral Custodian entitled “Unfunded Exposure Account” in the name of the Borrower and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties.

“Unfunded Exposure Amount”: On any date of determination, with respect to any Loan, the aggregate amount (without duplication) of all (i) unfunded commitments and (ii) all standby or contingent commitments associated with such Loan.

“Unfunded Exposure Equity Amount”: On any date of determination, an aggregate amount equal to the sum, for each Loan, of (a) the Unfunded Exposure Amount for such Loan minus (b) the product of (i) the Unfunded Exposure Amount for such Loan, (ii) the Advance Rate for such Loan and (iii) the Assigned Value of such Loan.

“Unrestricted Cash”: The meaning of “Unrestricted Cash” or any comparable definition or term in the Underlying Instruments for each Loan, and in any case that “Unrestricted Cash” or such comparable definition is not defined or otherwise set forth 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, (a) the Facility Amount minus (b) 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.

**“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.**

“U.S. Person”: Any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regime”: Each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

“U.S. Tax Compliance Certificate”: The meaning assigned to such term in Section 2.13(g).

“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) (i) solely with respect to any First Lien Loan or any First Lien Last Out Loan, the Net Senior Leverage Ratio for any Relevant Test Period of the related Obligor with respect to such Loan is (A) greater than 3.50 and (B) greater than 0.75 higher than the Original Net Senior Leverage Ratio and (ii) solely with respect to any Designated Loan or Second Lien Loan, the Total Leverage Ratio of the related Obligor with respect to such Loan is (A) greater than 4.00 and (B) greater than 0.75 higher than the Original Total Leverage Ratio; *provided* that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Administrative Agent may retroactively adjust the Net Senior Leverage Ratio or the Total Leverage Ratio for any Loan as determined on the related Funding Date;

(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 (or, if applicable, the Cash Interest Coverage Ratio as of the related Recurring Revenue Reclassification Date); *provided* that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Administrative Agent may retroactively adjust the Cash Interest Coverage Ratio for any Loan as determined on the related Funding Date;

(c) solely with respect to Recurring Revenue Loans, the Recurring Revenue Loan Gross Leverage Ratio with respect to such Eligible Loan increases by greater than 10.0% from such ratio at the time the asset was first acquired by the Borrower;

(d) solely with respect to Recurring Revenue Loans, either (i) the recurring revenue covenants for such Eligible Loan fail to be replaced with traditional cash flow leverage lending covenants by the Recurring Revenue Loan Covenant Flip Scheduled Date or (ii) the Recurring Revenue Loan Covenant Flip Scheduled Date is extended;

(e) solely with respect to Recurring Revenue Loans, such Loan fails to maintain a liquidity amount of at least (x) 1.20 greater than the applicable “liquidity covenant” (or such comparable definition or term) in the related Underlying Instruments or (y) if such “liquidity covenant” is not available in the related Underlying Instruments, the amount determined by the Administrative Agent in its sole discretion and set forth on the applicable Approval Notice for such Loan;

(f) any of (i) 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), (ii) 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 or (iii) an Insolvency Event with respect to the related Obligor;

(g) the occurrence of a Material Modification with respect to such Loan; or

(h) the failure to deliver (i) with respect to quarterly reports, any financial statements (including unaudited financial statements) to the Administrative Agent sufficient to calculate the Net Senior Leverage Ratio, the Total Leverage Ratio or the Cash Interest Coverage Ratio of the related Obligor by the date that is no later than eighty (80) 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 the Net Senior Leverage Ratio, the Total Leverage Ratio or the Cash Interest Coverage Ratio of the related Obligor by the date that is no later than one hundred and sixty (160) days after the end of any fiscal year.

“Volcker Rule”: Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

“Weighted Average Advance Rate”: As of any date of determination with respect to all Eligible Loans on such date (a) the sum of the products for each Eligible Loan of (i) such Eligible Loan’s Advance Rate and (ii) such Eligible Loan’s OLB minus the portion, if any, of such Eligible Loan’s OLB included in the Excess Concentration Amount divided by (b) the Aggregate OLB on such date minus the Excess Concentration Amount.

“Wells Fargo”: Wells Fargo Bank, National Association, a national banking association, and its successors and assigns.

“Withholding Agent”: The Borrower, the Collateral Custodian and the Administrative Agent.

“Write-Down and Conversion Powers”: With respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

#### **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. 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;

(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) if any date for compliance with the terms or conditions of any Transaction Document falls due on a day which is not a Business Day, then such due date shall be deemed to be the immediately following Business Day;

(i) reference to any delivery or transfer to the Collateral Custodian with respect to the Collateral in this Agreement means delivery or transfer to the Collateral Custodian for the benefit of the Administrative Agent on behalf of the Secured Parties;

(j) the word “including” is not limiting and means “including without limitation;”

(k) the word “any” is not limiting and means “any and all” unless the context clearly requires or the language provides otherwise;

(l) references herein to the knowledge or actual knowledge of a Person shall mean the actual knowledge following due inquiry of a responsible officer of such Person;

(m) for purposes of this Agreement, an Event of Default shall be deemed to be continuing until it is waived in accordance with Section 12.1; and

(n) unless otherwise expressly stated in this Agreement, if at any time any change in generally accepted accounting principles (including the adoption of IFRS) would affect the computation of any covenant (including the computation of any financial covenant) set forth in this Agreement or any other Transaction Document, the Borrower and Administrative Agent shall negotiate in good faith to amend such covenant to preserve the original intent in light of such change; *provided*, that, until so amended, (i) such covenant shall continue to be computed in accordance with the application of generally accepted accounting principles prior to such change and (ii) the Borrower shall provide to the Administrative Agent a written reconciliation in form and substance reasonably satisfactory to the Administrative Agent, between calculations of such covenant made before and after giving effect to such change in generally accepted accounting principles.



(o) the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (i) the continuation of, administration of, submission of, calculation of or any other matter related to Daily Simple SOFR or any other Benchmark, or any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative ~~or~~ successor ~~rate to the "LIBOR Rate",~~ or replacement rate ~~thereof~~ thereto (including any Benchmark Replacement), including ~~without limitation,~~ whether the composition or characteristics of any such alternative, successor or replacement ~~reference~~ rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to ~~this Agreement~~ Section 12.1, will be similar to, or produce the same value or economic equivalence of, ~~LIBOR Rate~~ or have the same volume or liquidity as ~~did the London interbank offered rate, Daily Simple SOFR such Benchmark or any other Benchmark~~ prior to its discontinuance or unavailability, or (ii) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and their Affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## ARTICLE II.

### THE ADVANCES

#### Section 1.1. The Advances.

(a) *Loan Advances.* During the Revolving Period, the Borrower may, at its option, request the Revolving Lenders to make advances of funds (each, a "Loan Advance") by delivering a Funding Notice with respect to such Loan Advance to the Administrative Agent, which shall provide notification to the Revolving Lenders with respect thereto, in an aggregate amount up to the Availability as of the proposed Funding Date of the Loan Advance; *provided, however*, that no Revolving Lender shall be obligated to make any Loan Advance on or after the date that is two (2) Business Days prior to the earlier to occur of the applicable Revolving Period End Date or the Termination Date. Following the receipt of a Funding Notice during the Revolving Period, subject to the terms and conditions hereinafter set forth, the Revolving Lenders shall fund such Loan Advance.

(b) *Swingline Advances.* During the Revolving Period, the Borrower may, at its option, request the Swingline Lender make Swingline Advances to the Borrower by delivering a Funding Notice with respect to such requested Swingline Advance to the Administrative Agent, which shall forward such Funding Notice to the Swingline Lender and provide notification to the Revolving Lenders with respect thereto. Following the receipt of a Funding Notice during the Revolving Period, subject to the terms and conditions hereinafter set forth, the Swingline Lender shall make the requested Swingline Advances to the Borrower; *provided* that the Swingline Lender shall not fund any Swingline Advance if, after giving effect to the amount of the Swingline Advance requested, (i) in the sole discretion of the Swingline Lender, a Default or Event of Default exists or would result therefrom, (ii) the Advances

Outstanding would exceed the Borrowing Base or (iii) the aggregate amount of Advances and Swingline Advances made by the Swingline Lender would exceed the Commitment of the Swingline Lender.

(c) The Borrower may, with the written consent of the Administrative Agent, (x) add additional Persons as Revolving Lenders or (y) increase the Commitment of any Revolving Lender and, in each case increase the aggregate Commitments hereunder; *provided* that, (1) the Commitment of any Lender may only be increased with the prior written consent of such Lender and the Administrative Agent and (2) the Facility Amount shall not exceed \$800,000,000. Each additional Revolving 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. Upon such increase, Annex A hereto shall be deemed to be revised to reflect such increase in such Lender's Commitment and those terms set forth on Annex C shall be revised as set forth therein in accordance with such increase. For the avoidance of doubt, on the Fifth Amendment Closing Date the Facility Amount shall be \$730,000,000 and on any subsequent date of determination, the terms set forth on Annex C shall vary in accordance with the Facility Amount then in effect (including, prior to the earlier to occur of the end of the Revolving Period or the Termination Date, in connection with a permanent reduction of the Facility Amount). The Borrower, or the Collateral Manager on its behalf, may at any time request Annex C to be revised so long as it has received prior written consent from the Administrative Agent and the Required Lenders.

(d) Advances to be made for the purpose of refunding Swingline Advances shall be made by the Revolving Lenders as provided in Section 2.15.

### **Section 1.2. Procedures for Advances by the Lenders.**

(a) Subject to the limitations set forth herein, the Borrower may request an Advance from the Lenders by delivering to the Administrative Agent at certain times the information and documents set forth in this Section 2.2. Upon receipt of such information and documents, the Administrative Agent will provide notification to the Revolving Lenders and/or the Swingline Lender, as applicable, with respect thereto.

(b) With respect to (i) all Loan Advances, no later than 3:00 p.m. on the Business Day prior to the proposed Funding Date and (ii) all Swingline Advances, no later than 3:00 p.m. on the proposed Funding Date, the Borrower (or the Collateral Manager on its behalf) shall deliver:

(i) to the Administrative Agent (which shall promptly deliver to each Revolving Lender or, in the case of any Swingline Advance, the Swingline Lender) and the Collateral Custodian 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 (or, in the case of any Advance to be applied to fund any draw under a Delayed Draw Loan or Revolving Loan, such lesser amount as may be required to fund such draw), 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, with respect to any Delayed Draw Loan or Revolving Loan, the amount to be deposited in the Unfunded Exposure Account in connection with the acquisition of such Loan(s) pursuant to Section 2.2(e) 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 (x) after 3:00 p.m. on the Business Day prior to the Business Day for which such Advance (other than a Swingline Advance) is requested, (y) after 3:00 p.m. on the Business Day on which a Swingline Advance is requested or (z) on a day that is not a Business Day, such Funding Notice shall be deemed to be received by the Administrative Agent at 9:00 a.m. on the next Business Day.

(c) On the proposed Funding Date, subject to the limitations set forth in Section 2.1(a) or (b), as applicable, and upon satisfaction of the applicable conditions set forth in Article III:

(i) in the case of a Loan Advance, (x) each Lender shall make available to the Administrative Agent in same day funds, by no later than 12:00 noon, an amount equal to such Lender's Pro Rata Share of the least of (A) the amount requested by the Borrower for such Advance, (B) the aggregate unused Commitments then in effect and (C) the maximum amount that, after taking into account the proposed use of the proceeds of such Advance, could be advanced to the Borrower hereunder without causing the Advances Outstanding to exceed the Borrowing Base and (y) the Administrative Agent shall make all funds received from the Lenders under clause (x) available to the Borrower in same day funds by wire transfer to the account designated by the Borrower in the Funding Notice given pursuant to this Section 2.2; or

(ii) in the case of a Swingline Advance, the Swingline 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 the least of (i) the amount requested by the Borrower for such Swingline Advance, (ii) the positive difference between (A) the Swingline Commitment then in effect and (B) the aggregate outstanding Swingline Advances as of such date and (iii) the maximum amount that, after taking into account the proposed use of the proceeds of such Swingline Advance, could be advanced to the Borrower hereunder without causing the Advances Outstanding to exceed the Borrowing Base.

(d) On each Funding Date, the obligation of each Revolving Lender to remit its Pro Rata Share of any such Loan Advance shall be several from that of each other Revolving Lender and the failure of any Revolving Lender to so make such amount available to the Borrower shall not relieve any other Revolving Lender of its obligation hereunder.

(e) Notwithstanding anything to the contrary herein, upon the occurrence of the earlier of (i) an Event of Default or (ii) the Revolving Period End Date with respect to all the Commitments, if the amount on deposit in the Unfunded Exposure Account is less than the Aggregate Unfunded Exposure Amount, the Borrower shall request an Advance in the amount of such shortfall (the "Exposure Amount Shortfall"). Following receipt of a Funding Notice (including a duly completed Borrowing Base Certificate updated to the date such Advance is requested and giving *pro forma* effect to the Advance requested), the Revolving Lenders shall

fund such Exposure Amount Shortfall in accordance with Section 2.2(b) as if the Revolving Period were still in effect and notwithstanding anything to the contrary herein (including, without limitation, the Borrower's failure to satisfy any of the conditions precedent set forth in Section 3.2), except that no Lender shall make any Advance to the extent that, after giving effect to such Advance, the Advances Outstanding would exceed the Borrowing Base.

**Section 1.3. Reduction of the Facility Amount; Optional Repayments.**

(a) The Borrower shall be entitled at its option 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 provide a Repayment Notice to the Administrative Agent at least one (1) Business Day prior to such termination or reduction, (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 the first anniversary of the Fifth Amendment Closing Date (other than to the extent set forth in Section 2.3(d)), the Borrower shall pay to each Lender the applicable Commitment Reduction Fee in accordance with Section 2.7 or Section 2.8, as applicable. 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 provide a Repayment Notice to the Administrative Agent at least one (1) Business Day prior to such reduction 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 the Administrative Agent, which shall promptly 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 the related accrued Interest and Breakage Costs, if any, in full. The Administrative Agent shall apply amounts received from the Borrower pursuant to this Section 2.3(b) to (x) unless a Default or an Event of Default has occurred, if directed by the Borrower, the *pro rata* reduction of the Advances Outstanding of the Non-Extending Lenders or (y) otherwise, 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.

(c) At any time after the nine-month anniversary of the A&R Effective Date and prior to the end of the Revolving Period, the Borrower may deliver to the Administrative Agent (which shall promptly deliver the same to the Lenders) a notice requesting that the Revolving Period be extended and specifying the requested length of such extension. Each Lender shall have the right in its sole discretion to approve (each such Lender, an "Extending Lender") or deny (each such Lender, a "Non-Extending Lender") any such extension request and shall notify the Administrative Agent within ten (10) Business Days of its determination. Upon written notice from the Administrative Agent to the Borrower (with a copy to each Extending Lender), the Revolving Period shall be extended to such date as is approved by each Extending

Lender for all purposes hereof (and clause (a) of the definition of "Revolving Period End Date" shall be deemed amended). The Extending Lenders (on a pro rata basis) shall have the right to purchase the Commitments of the Non-Extending Lenders and any Commitments of the Non-Extending Lenders not so purchased (or assigned pursuant to Section 12.16) shall be terminated on the Revolving Period End Date immediately prior to giving effect to such extension. Non-Extending Lenders will receive payments on their Advances Outstanding in accordance with the terms hereof until their Advances Outstanding are reduced to zero, at which point they will cease to be Lenders hereunder.

(d) Notwithstanding anything to the contrary in Section 2.3(a), no Commitment Reduction Fee shall be payable by the Borrower in the event that (A) such termination or permanent reduction occurs no sooner than the date which is one year following the Fifth Amendment Closing Date, (B) such termination or permanent reduction occurs as a result of a refinancing of this credit facility in connection with (x) any transaction for which the Administrative Agent or any of its affiliates holds at least 25.0% of the aggregate commitments of such refinancing or (y) a distributed capital markets offering or (C) such permanent reduction results solely in the amortization of the Facility Amount and any Loans released from the Lien of the Administrative Agent as a result of such reduction are not used to collateralize a replacement financing facility during the 90-day period following the date of the release of such Lien.

**Section 1.4. Determination of Interest and Non-Usage Fee.**

The Administrative Agent shall determine the Interest (including unpaid Interest related thereto, if any, due and payable on a prior Payment Date) and the Non-Usage Fee (including any previously accrued and unpaid Non-Usage Fee) to be paid by the Borrower on each Payment Date for the related Accrual Period and shall advise the Collateral Manager thereof on the third Business Day prior to such Payment Date.

**Section 1.5. Promissory Notes.**

(a) The Borrower shall, upon the request of a Lender, execute and deliver a Promissory Note evidencing the Advances of such Lender. Each such Promissory Note shall be payable to such Lender in a face amount equal to such Lender's Commitment as of the date of delivery for such Promissory Note.

(b) If any Lender elects not to receive a Promissory Note, all references herein and the other Transaction Documents to such Lender's Promissory Note shall be deemed to mean the Advances outstanding with respect to such Lender. The parties hereto acknowledge and agree that the provisions herein and the other Transaction Documents related to the Lenders hereunder shall apply to each Lender regardless of whether such Lender has received a Promissory Note.

**Section 1.6. Principal Repayments.**

(a) Unless sooner prepaid pursuant to the terms hereof, the Advances Outstanding shall be repaid in full on the Termination Date (or, with respect to any Non-Extending Lender, the earlier to occur of (x) the two-year anniversary of the termination of its Commitment and (y) the Termination Date) or on such later date as is agreed to in writing by the Borrower, the Collateral Manager, the Administrative Agent and each Lender (or, with respect to any Non-Extending Lender, the Borrower, the Administrative Agent and such Non-Extending Lender).

(b) At the Borrower's option in its sole discretion, it may take any of the following actions at any time to reduce the Required Advance Reduction Amount:

- (i) depositing Cash into the Principal Collection Account;
- (ii) repaying Advances Outstanding in accordance with Section 2.3(b); and/or
- (iii) posting additional Eligible Loans as Collateral.

**Section 1.7. Settlement Procedures.**

(a) On each Payment Date, so long as no Event of Default has occurred and is continuing, the Collateral Manager 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; *provided that*, the aggregate amount payable pursuant to this Section 2.7(a)(1), Section 2.7(b)(1) and Section 2.8(1) shall not exceed \$100,000 *per annum*;

(2) *pro rata* to each Lender, in an amount equal to (A) such Lender's share of the Interest for the related Accrual Period and any accrued and unpaid Interest for previous Accrual Periods, (B) such Lender's Share of the Non-Usage Fee for the related Accrual Period and any unpaid Non-Usage Fees for previous Accrual Periods and (C) any unpaid Breakage Costs with respect to such Lender;

(3) *pro rata* to the Administrative Agent and each Lender, all fees and other amounts, including any Increased Costs and Structuring Fee, but other than the principal of Advances Outstanding, Commitment Reduction Fee and Administrative Expenses, then due to each such Person 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;

(5) *pro rata* to each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee;

(6) after the end of the Revolving Period, to the Unfunded Exposure Account in an amount equal to Exposure Amount Shortfall;

and (7) *pro rata* to each applicable party, to pay all other accrued and unpaid Administrative Expenses and Taxes;

(8) (A) during a Default, to remain in the Interest Collection Account or (B) otherwise, any remaining amounts shall be distributed to (or as directed by) the Borrower (to be used for any purpose, including distribution to the Collateral Manager).

(b) On each Payment Date, so long as no Event of Default has occurred and is continuing, the Collateral Manager 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)(1), to the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees; *provided* that, the aggregate amount payable pursuant to Section 2.7(a)(1), this Section 2.7(b)(1) and Section 2.8(1) shall not exceed \$100,000 *per annum*;

(2) to the extent not paid pursuant to Section 2.7(a)(2), *pro rata* to each Lender, in an amount equal to (A) such Lender's share of the Interest for the related Accrual Period and any accrued and unpaid Interest for previous Accrual Periods, (B) such Lender's share of the Non-Usage Fee for the related Accrual Period and any unpaid Non-Usage Fees for previous Accrual Periods and (C) any unpaid Breakage Costs with respect to such Lender;

(3) to the extent not paid pursuant to Section 2.7(a)(3), *pro rata* to the Administrative Agent and each Lender, all other fees and other amounts, including any Increased Costs and Structuring Fee, but other than the principal of Advances Outstanding, Commitment Reduction Fee and Administrative Expenses, then due to each such Person under this Agreement;

(4) to the extent not paid pursuant to Section 2.7(a)(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;

(5) to the extent not paid pursuant to Section 2.7(a)(5), *pro rata* to each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee;

(6) during the Revolving Period, (x) to each Non-Extending Lender to pay Advances Outstanding in an amount equal to the Pro Rata Share of such Non-Extending Lender and (y) the remainder as directed by the Collateral Manager, to (A) repay Advances Outstanding, (B) return cash to the Principal Collection Account for application in accordance with the terms hereof and/or (C) unless a Default or Curable BDC Asset Coverage Event has occurred and is continuing, or after giving effect to such distribution the Availability is less than zero, to be distributed to (or as directed by) the Borrower (to be used for any purpose, including distribution to the Collateral Manager);

(7) after the end of the Revolving Period and to the extent not paid pursuant to Section 2.7(a)(6), to the Unfunded Exposure Account in an amount equal to Exposure Amount Shortfall;

(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)(7), *pro rata* to each applicable party to pay all other Administrative Expenses and Taxes; and

(10) (A) during a Default, to remain in the Principal Collection Account or (B) otherwise, any remaining amounts shall be distributed to (or as directed by) the Borrower (to be used for any purpose, including distribution to the Collateral Manager).

(c) The Collateral Manager 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 if, both immediately prior and after giving effect to such payment (i) the Availability is greater than zero and (ii) no Default, Event of Default or Curable BDC Asset Coverage Event has occurred and is continuing.

(d) Subject to the satisfaction of the conditions set forth in Section 3.2, the Collateral Manager may direct the Collateral Custodian to withdraw funds on deposit in the Principal Collection Account on any Business Day in order to reinvest such funds in Eligible Loans to be pledged hereunder.

#### **Section 1.8. Alternate Settlement Procedures.**

On each Payment Date following the occurrence of and during the continuation of an Event of Default, the Collateral Manager (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; *provided that*, the aggregate amount payable pursuant to Section 2.7(a)(1), Section 2.7(b)(1) and this Section 2.8(1) shall not exceed \$100,000 *per annum*;

(2) *pro rata* to each Lender, in an amount equal to (A) such Lender's share of the Interest for the related Accrual Period and any accrued and unpaid Interest for previous Accrual Periods, (B) such Lender's share of the Non-Usage Fee for the related Accrual Period and any unpaid Non-Usage Fees for previous Accrual Periods and (C) any unpaid Breakage Costs with respect to such Lender;

(3) *pro rata* to the Administrative Agent and each Lender, all other fees and other amounts, including any Increased Costs and Structuring Fee, but other than the principal of Advances Outstanding, Commitment Reduction Fee and Administrative Expenses, then due to each such Person under this Agreement;

(4) *pro rata* to the Lenders to pay the Advances Outstanding and any accrued and unpaid Commitment Reduction Fee;

(5) *pro rata* to each applicable party, to pay all other Administrative Expenses and Taxes; and

(6) any remaining amounts shall be distributed to (or as directed by) the Borrower (to be used for any purpose, including distribution to the Collateral Manager).



### **Section 1.9. Collections and Allocations.**

(a) Collections. The Collateral Manager 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 to the appropriate Collection Account within two Business Days after such Collections are received. The Collateral Manager shall include a statement as to the amount of Principal Collections and Interest Collections on deposit 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 Manager may withdraw from the Collection Account any deposits thereto constituting Excluded Amounts if the Collateral Manager has, prior to such withdrawal and consent, delivered to the Administrative Agent (which shall promptly deliver a copy thereof to each Lender) a report setting forth the calculation of such Excluded Amounts in form and substance reasonably satisfactory to the Administrative Agent.

(c) Initial Deposits. On each Funding Date, the Collateral Manager will instruct the related Obligor to deposit all Collections with respect to Collateral being acquired by the Borrower on such date into the Collection Account.

(d) Investment of Funds. Unless a Collateral Manager Default or an Event of Default has occurred and is continuing, 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 Manager on each Payment Date (or pursuant to standing instructions provided by the Collateral Manager); *provided* that, if a Collateral Manager Default or an Event of Default has occurred and is continuing, 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 (or pursuant to standing instructions provided by the Administrative Agent). All earnings (net of losses and investment expenses) thereon shall be retained or deposited into the applicable Collection Account and shall be applied on each Payment Date pursuant to the provisions of Section 2.7 or Section 2.8 (as applicable).

(e) Unfunded Exposure Account.

(i) Amounts on deposit in the Unfunded Exposure Account may be withdrawn (A) by the Collateral Custodian pursuant to Section 2.9(e)(ii) to fund any draw requests of the relevant Obligors under any Delayed Draw Loan or Revolving Loan or (B) if the amount on deposit in the Unfunded Exposure Account exceeds the Aggregate Unfunded Exposure Amount, by the Borrower (or the Collateral Manager on the Borrower's behalf) to make a deposit into the Principal Collection Account to the extent of such excess.

(ii) After the end of the Revolving Period, any draw request made by an Obligor under a Delayed Draw Loan or Revolving Loan, along with wiring instructions for the applicable Obligor, shall be forwarded by the Collateral Manager (on the Borrower's behalf) to the Collateral Custodian (with a copy to the Administrative Agent) along with an instruction to the Collateral Custodian to withdraw the applicable amount from the Unfunded Exposure Account. Upon receipt of, and in accordance with, such instruction, the Collateral Custodian shall fund such draw request directly from the Unfunded Exposure Account.

(f) For all U.S. federal tax reporting purposes, all income earned on the funds invested and allocable to the Accounts is legally owned by the Borrower (and beneficially owned by the Borrower or the Collateral Manager). The Borrower is required to provide to the

Collateral Custodian (i) an IRS Form W-9 no later than the date hereof, and (ii) any additional IRS forms (or updated versions of any previously submitted IRS forms) or other documentation upon the reasonable request of the Collateral Custodian as may be necessary (a) to reduce or eliminate the imposition of U.S. withholding taxes and (b) to permit the Collateral Custodian to fulfill its tax reporting obligations under applicable law with respect to the Accounts or any amounts paid to the Borrower. The Borrower is further required to report to the Collateral Custodian comparable information upon any change in the legal or beneficial ownership of the income allocable to the Accounts. The Collateral Custodian shall have no liability to the Borrower or any other person in connection with any tax withholding amounts paid, or retained for payment, to a governmental authority from the Accounts arising from the Borrower's failure to timely provide an accurate, correct and complete IRS Form W-9 or such other documentation contemplated under this paragraph. For the avoidance of doubt, no funds shall be invested with respect to such Accounts absent the Collateral Custodian having first received (x) instructions with respect to the investment of such funds, and (y) the forms and other documentation required by this paragraph.

**Section 1.10. Payments, Computations, Etc.**

(a) Unless otherwise expressly provided herein, all amounts to be paid or deposited by the Borrower or the Collateral Manager hereunder shall be paid or deposited in accordance with the terms hereof no later than 3:00 p.m. 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 Manager, 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 and the Non-Usage Fee, which shall each 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 then due 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 1.11. Fees.**

(a) The Borrower shall pay or cause to be paid in accordance with Sections 2.7 and 2.8, the applicable Non-Usage Fee.

(b) The Borrower shall pay or cause to be paid in accordance with Sections 2.7 and 2.8, in the manner specified in each Fee Letter, the applicable portion of each Structuring Fee.

(c) The Collateral Custodian shall be entitled to receive the Collateral Custodian Fee in accordance with Sections 2.7 and 2.8.

(d) The Borrower shall pay to Cadwalader, Wickersham & Taft LLP as counsel to the Administrative Agent on the A&R Effective Date, its reasonable estimated fees and out-of-pocket expenses through the A&R 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 and on the immediately following Payment Date after its receipt of an invoice therefor in accordance with the terms of Section 2.7 or 2.8, as applicable.

**Section 1.12. 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), in each case, adopted, made or implemented after the A&R Effective Date, shall (a) subject any Affected Party to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (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 (other than Taxes) 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 later of the next Payment Date and 30 days after receipt by the Borrower of 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, in each case, adopted, made or implemented after the A&R Effective Date, 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 later of the next Payment Date and 30 days after receipt by the Borrower of 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; *provided* that notwithstanding anything in this [Section 2.12\(b\)](#) to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “change in law” for the purposes of clause (i) above, regardless of the date enacted, adopted or issued.

(c) If as a result of any event or circumstance similar to those described in clause (a) or (b) of this [Section 2.12](#) that occurs after the A&R Effective Date, 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 on the later of the next Payment Date and 30 days after receipt by the Borrower of 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 Manager 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-RateBenchmark~~ shall immediately be converted into Advances Outstanding in respect of which Interest accrues at the Base Rate in accordance with the definition of “Interest 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. In no event will Borrower be responsible for any increased amounts or reduced return referred to in this [Section 2.12](#) resulting from any Lender subject to a Bail-In Action being deemed a Defaulting Lender or such Lender not receiving interest on Advances that it does not fund as a result of a Bail-In Action.

**Section 1.13. Taxes.**

(a) Defined Terms. For purposes of this Section 2.13, the term “applicable law” includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Transaction Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.13) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, on the later of the next Payment Date and 30 days after receipt by the Borrower of demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.13) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 12.16(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Transaction Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Transaction Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.13, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such

Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Borrower, the Collateral Custodian and the Administrative Agent, at the time or times reasonably requested by the Borrower, the Collateral Custodian or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower, the Collateral Custodian or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower, the Collateral Custodian or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower, the Collateral Custodian or the Administrative Agent as will enable the Borrower, the Collateral Custodian or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.13(g)(ii)(1), (ii)(2) and (ii)(4) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing:

(1) any Lender that is a U.S. Person shall deliver to the Borrower, the Collateral Custodian and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Collateral Custodian or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(2) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower, the Collateral Custodian and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Collateral Custodian or the Administrative Agent), whichever of the following is applicable:

i. in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Transaction Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Transaction Document, IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

ii. executed copies of IRS Form W-8ECI;

iii. in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit L-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the

Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable); or

iv. to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit L-2 or Exhibit L-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit L-4 on behalf of each such direct and indirect partner;

(3) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower, the Collateral Custodian and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower, the Collateral Custodian or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower, the Collateral Custodian or the Administrative Agent to determine the withholding or deduction required to be made; and

(4) if a payment made to a Lender under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower, the Collateral Custodian and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower, the Collateral Custodian or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower, the Collateral Custodian or the Administrative Agent as may be necessary for the Borrower, the Collateral Custodian and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (4), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower, the Collateral Custodian and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.13 (including by the payment of additional amounts pursuant to this Section 2.13), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.13 with respect

to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 2.13 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Transaction Document.

#### **Section 1.14. Discretionary Sales.**

(a) Discretionary Sales. The Borrower shall be permitted to sell Loans (each, a "Discretionary Sale") subject to the following conditions:

(i) no Collateral Manager Default or Event of Default has occurred and is continuing and, immediately after giving effect to such Discretionary Sale, no Collateral Manager Default, Default or Event of Default shall have occurred;

(ii) immediately after giving effect to such Discretionary Sale, the Required Advance Reduction Amount shall be (x) zero or (y) subject to the prior consent of the Administrative Agent (in its sole discretion), an amount less than the Required Advance Reduction Amount immediately prior to giving effect to such Discretionary Sale;

(iii) the Borrower shall have delivered a Borrowing Base Certificate to the Administrative Agent;

(iv) such Discretionary Sale shall be made by the Collateral Manager, 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;

(v) on the related Discretionary Sale Date, the Administrative Agent and/or 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 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 (or such lesser amount as consented to by the Administrative Agent pursuant to clause (ii) above);

(vi) on the related Discretionary Sale Date, the proceeds (net of (x) amounts payable pursuant to Section 2.14(b)(v) and (y) normal transactional expenses) from such Discretionary Sale shall be sent directly to the Collection Account; and

(vii) 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 at any point during such 12-month period; *provided* that, any Discretionary Sale may be excluded from such 30% limitation with the prior written consent of the Administrative Agent; *provided, further*, that the Borrower may make Discretionary Sales of Loans exceeding such 30% limitation if (x) all proceeds from such Discretionary Sales are applied pursuant to Section 2.3(b) to reduce Advances Outstanding and (y) the Facility Amount is concurrently reduced pursuant to Section 2.3(a) by an amount equal to the proceeds of such Discretionary Sales.

(b) Notices to Lenders. The Administrative Agent shall provide the Lenders with copies of any notices (and, if requested by the Lenders, other materials) received by the Administrative Agent pursuant to this Section 2.14 in connection with any Discretionary Sale.

### **Section 1.15. Refunding of Swingline Advances.**

(a) Each Swingline Advance shall be refunded by the Revolving Lenders on the second Business Day following the date of such Swingline Advance (each such date, a "Swingline Refund Date"). Such refundings shall be made by the Revolving Lenders in accordance with their respective Pro Rata Shares and shall thereafter be reflected as Advances of the Revolving Lenders on the books and records of the Administrative Agent. Each Revolving Lender shall fund its respective Pro Rata Share of Advances as required to repay Swingline Advances outstanding to the Swingline Lender no later than 12:00 noon on the applicable Swingline Refund Date.

(b) The Borrower shall pay to the Swingline Lender, within twenty-two (22) days of demand, the amount of such Swingline Advances to the extent amounts received from the Revolving Lenders are not sufficient to repay in full the outstanding Swingline Advances requested or required to be refunded. If any portion of any such amount paid to the Swingline Lender shall be recovered by or on behalf of the Borrower from the Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Revolving Lenders in accordance with their respective Pro Rata Shares. Nothing in this clause (b) is intended to or shall relieve any Lender from any default in its funding obligations under this Agreement.

(c) Each Revolving Lender acknowledges and agrees that its obligation to refund Swingline Advances in accordance with the terms of this Section 2.15 is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in Section 3.2. Further, each Revolving Lender agrees and acknowledges that if prior to the refunding of any outstanding Swingline

Advances pursuant to this Section 2.15, an Insolvency Event relating to the Borrower or the Collateral Manager shall have occurred, each Revolving Lender will, on the date the applicable Advance would have been made, purchase an undivided participating interest in the Swingline Advance to be refunded in an amount equal to its Pro Rata Share of the aggregate amount of such Swingline Advance. Each Revolving Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its participation and upon receipt thereof the Swingline Lender will deliver to such Revolving Lender a certificate evidencing such participation dated the date of receipt of such funds and for such amount. Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Revolving Lender's participating interest in a Swingline Advance, the Swingline Lender receives any payment on account thereof, the Swingline Lender will distribute to such Revolving Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Lender's participating interest was outstanding and funded).

(d) Notwithstanding anything to the contrary contained in this Section 2.15, the Swingline Lender shall not be obligated to make any Swingline Advance at a time when any other Lender is a Defaulting Lender, unless the Swingline Lender has entered into arrangements (which may include the delivery of cash collateral) with the Borrower or such Defaulting Lender which are satisfactory to the Swingline Lender to eliminate the Swingline Lender's Fronting Exposure (after giving effect to Section 2.16(a)(iii)) with respect to any such Defaulting Lender.

#### **Section 1.16. Defaulting Lenders.**

(a) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 12.1.

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment of any amounts owing by that Defaulting Lender to the Swingline Lender; *third*, if so determined by the Administrative Agent or the Swingline Lender, to be held as cash collateral for future funding obligations of that Defaulting Lender of any participation in a Swingline Loan; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Advance in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Advances under this Agreement; *sixth*, to the payment of any amounts owing to the Revolving Lenders or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Revolving Lender or the Swingline Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to that

Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if such payment is a payment of the principal amount of any Advances or funded participations in Swingline Loans in respect of which that Defaulting Lender has not fully funded its Pro Rata Share, such payment shall be applied solely to pay the Advances and funded participations in Swingline Loans of all non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Advances, or funded participations in Swingline Loans, of that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.16 shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Swingline Loans pursuant to Section 2.15(c), the “Pro Rata Share” of each non-Defaulting Lender shall be computed without giving effect to the Commitment of that Defaulting Lender; *provided* that (x) each reallocation shall be given effect only if the aggregate obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Swingline Loans shall not exceed the positive difference, if any, of (A) the Commitment of that non-Defaulting Lender *minus* (B) the aggregate outstanding principal amount of the Advances of that Lender.

(iv) Promptly on demand by the Swingline Lender or the Administrative Agent from time to time, the Borrower shall prepay Swingline Loans in an amount of all Fronting Exposure with respect to the Swingline Lender (after giving effect to clause (iii) above).

(v) For any period during which that Lender is a Defaulting Lender, that Defaulting Lender shall not be entitled to receive any Non-Usage Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(b) If the Administrative Agent and the Swingline Lender in their respective sole discretion determine that a Defaulting Lender should no longer be deemed to be a Defaulting Lender (provided in the case of a Defaulting Lender pursuant to clause (iv) or (v) of such term or that has defaulted in the funding of an Advance, which default remains uncured, such determination shall require the consent of the Borrower), the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Advances to be held on a *pro rata* basis by the Lenders in accordance with their Pro Rata Shares (without giving effect to Section 2.16(a)(iii) above), whereupon that Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender’s having been a Defaulting Lender.

### ARTICLE III.

#### CONDITIONS TO CLOSING AND ADVANCES

##### Section 1.1. Conditions to Amendment and Restatement.

Neither any Lender, the Administrative Agent nor the Collateral Custodian shall 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, each in form and substance satisfactory to the Administrative Agent;

(b) The Administrative Agent shall have received satisfactory evidence that the Borrower and the Collateral Manager 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 Manager shall each have delivered to the Administrative Agent a certification in the form of Exhibit D;

(d) The Borrower and the Collateral Manager 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 Manager shall have delivered to the Administrative Agent certification that no Default, Event of Default, Change of Control or Collateral Manager Default 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 Schulte Roth & Zabel LLP counsel to the Borrower, covering (i) enforceability, grant and perfection of the security interests on the Collateral and (ii) non-consolidation of the Borrower with the Collateral Manager, in each case in form and substance reasonably acceptable to the Administrative Agent.

(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 A&R 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) The Administrative Agent shall have received certificates dated as of a recent date from the Secretary of State or other appropriate authority, evidencing the good standing of the Borrower and the Collateral Manager (i) in the jurisdiction of its organization and (ii) in each other jurisdiction where its ownership, lease or operation of Property or the conduct

of its business requires it to qualify as a foreign Person except, as to this subclause (ii), where the failure to so qualify could not be reasonably expected to have a Material Adverse Effect.

(j) The Administrative Agent shall have received the results of a recent search by a Person satisfactory to the Administrative Agent, of the UCC, judgment and tax lien filings which may have been filed with respect to personal property of the Borrower, and bankruptcy and pending lawsuits with respect to the Borrower and the results of such search shall be satisfactory to the Administrative Agent.

(k) The Administrative Agent and the Lenders shall have received the fees (including fees, disbursements and other charges of the Administrative Agent) to be received on the A&R Effective Date referred to herein to the extent invoiced.

(l) No "Default", "Event of Default" or "Collateral Manager Termination Event" is continuing under the Existing A&R Loan and Security Agreement.

(m) Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that U.S. law requires each Lender and the Administrative Agent to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower.

### **Section 1.2. Conditions Precedent to All Advances.**

(a) Each Advance under this Agreement and each reinvestment of Principal Collections pursuant to Section 2.7(d) (each, a "Transaction") shall be subject to the further conditions precedent that:

(i) with respect to (A) any Loan Advance, the Collateral Manager shall have delivered to the Administrative Agent (with a copy to the Collateral Custodian) no later than 3:00 p.m. one (1) Business Day prior to the related Funding Date or (B) any Swingline Advance, the Collateral Manager shall have delivered to the Administrative Agent (with a copy to the Collateral Custodian) no later than 3:00 p.m. on the related Funding Date:

(1) the documents required by Section 2.2(b) and a Loan Schedule; and

(2) a Certificate of Assignment substantially in the form of Exhibit F 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(d), the Collateral Manager shall have delivered to the Administrative Agent (with a copy to the Collateral Custodian), 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 Manager and the Borrower;

(b) On the date of such Transaction the following shall be true and correct and the Borrower and the Collateral Manager shall have certified in the related Borrower's Notice that all conditions precedent to the requested Transaction 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 Manager Default;

(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 Manager 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 prohibits or enjoins the making of such Advance by any Lender or the proposed reinvestment of Principal Collections; and

(vi) No Curable BDC Asset Coverage Event has occurred and is continuing.

(c) The Revolving Period End Date with respect to the all the Commitments 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 Manager 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](#), 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 the related Approval Notice; and

(h) In connection with each Transaction, the Borrower shall have delivered to the Collateral Custodian (with a copy to the Administrative Agent) on the date of the related Transaction, an emailed copy of the duly executed original promissory notes for each such Loan in respect of which a promissory note is issued (or, in the case of any Noteless Loan, a fully executed assignment agreement), and, if any Loans are closed in escrow, a certificate (in the form of [Exhibit J](#)) from the closing attorneys of such Loan confirming the possession of the Required Loan Documents; *provided* that, notwithstanding the foregoing, the Borrower shall cause the Loan Checklist and the Required Loan Documents to be in the possession of the

Collateral Custodian within ten (10) Business Days of any related Advance Date with respect to any Loan.

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, which right may be exercised at any time on the demand of the Required Lenders, to rescind the related Advance and direct the Borrower to pay to the Administrative Agent for the benefit of the Lenders an amount equal to the Advances made during any such time that any of the foregoing conditions precedent were not satisfied.

**Section 1.3. 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 shall direct or cause the acquisition of any Loan or Permitted Investment, the Borrower shall, if such Permitted Investment or, in the case of a Loan, the related promissory note or (with respect to a Noteless Loan) assignment documentation has not already been delivered to the Collateral Custodian in accordance with the requirements set forth in the definition of "Required Loan Documents", cause the delivery of such Permitted Investment or, in the case of a Loan, the related promissory note or (with respect to a Noteless Loan) assignment documentation in accordance with the requirements set forth in the definition of "Required Loan Documents" 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 Manager 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 of 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 1.1. Representations and Warranties of the Borrower.

The Borrower represents and warrants as follows as of the A&R Effective 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; *provided* that the representation set forth in Section 4.1(dd) shall be made only as of the A&R Effective Date:

(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 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 limited liability company 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.

(k) Taxes.

(i) The Borrower is a "disregarded entity" of the Collateral Manager for U.S. federal income tax purposes.

(ii) The Borrower has filed or caused to be filed all U.S. federal and other 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 U.S. federal and other 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 or the Taxable Entity, as applicable), and no U.S. federal or other material tax lien (other than a Permitted Lien in respect of Taxes) has been filed and, to the Borrower's knowledge, no claim is being asserted, with respect to any such Tax, fee or other charge (other than any claim 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 or the Taxable Entity, as applicable).

(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. The foregoing shall not restrict the receipt by the Borrower of any Equity Security as a result of a workout or restructuring of any Obligor of a Loan.

(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 constitutes 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 Manager 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 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 in favor of the Administrative Agent or 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 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) 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 each underlying promissory note (if any) 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 (if any) 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 an Uncertificated Security, the Borrower has caused the Administrative Agent to gain “control” of such Collateral pursuant to Section 8-106(c) of the UCC and (B) such control remains effective; 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 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 Employer 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 A&R Effective Date (or, if less, the period of time since its formation).

(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.

(r) Value Given. The Borrower shall have given reasonably equivalent value to 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.

(s) 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.

(t) Special Purpose Entity. The Borrower has not and shall not:

(i) engage in any business or activity other than the purchase, receipt and management 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, dissolve, terminate or liquidate in whole or in part, transfer, divide or otherwise dispose of all or substantially all of its assets (other than in accordance with the provisions hereof) or change its jurisdiction of formation, without in each case first obtaining the prior written consent of the Administrative Agent and each Lender, or except as permitted by this Agreement, change its legal structure;

(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 amend, modify, terminate the provisions of its operating agreement other than in accordance with the terms thereof, or fail to comply with the provisions of its operating agreement or otherwise 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;

other Person;

- (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 bank accounts separate and apart from those of any other Person, other than as expressly provided in the Transaction Documents;
- (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) as otherwise permitted under the Transaction Documents;
- (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 BDC 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 company records and books of account; provided, however, that the Borrower's assets and liabilities may be included in a consolidated financial statement of the BDC so long as the separateness of the Borrower from the BDC and the unavailability of the Borrower's assets and credit to satisfy the debts and other obligations of

the BDC are disclosed by the BDC within all public filings that contain such consolidated financial statements;

(xix) fail to pay its own liabilities and expenses only out of its own funds;

(xx) fail to maintain a sufficient number of employees, if any, in light of its contemplated business operations or to pay the salaries of its own employees, if any;

(xxi) acquire the obligations or securities of its Affiliates or stockholders;

(xxii) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space, if any, provided by an Affiliate or services performed by any employee of an Affiliate;

(xxiii) fail to use separate checks bearing its own name;

(xxiv) pledge its assets to secure the obligations of any other Person;

(xxv) (A) fail at any time to have at least one (1) independent manager or director (the “Independent Manager”) who is not currently (a) a manager, officer, employee or Affiliate of the Borrower or any major creditor, or a manager, officer or employee of any such Affiliate (other than an independent manager or similar position of the Borrower, the BDC or an Affiliate), or (ii) the beneficial owner of any limited liability company interests of the Borrower or any voting, investment or other ownership interests of any Affiliate of the Borrower or of any major creditor 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) except as otherwise permitted pursuant to the Borrower LLC Agreement;

(xxvi) fail to provide that the unanimous consent of all members (including the consent of the Independent Manager) is required for the Borrower to take any Material Action; and

(xxvii) take or refrain from taking, as applicable, each of the activities specified in the non-consolidation opinion of Schulte Roth & Zabel LLP, dated as of the date hereof upon which the conclusions expressed therein are based.

(u) 1940 Act. The Borrower is not required to register as an “investment company” within the meaning of the 1940 Act.

(v) 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.

(w) 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).

(x) 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.

(y) 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.

(z) 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.

(aa) 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.

(ab) Members of the Borrower. The sole member of the Borrower is a U.S. Person.

(ac) USA Patriot Act. Neither the Borrower nor any Affiliate of the Borrower is (i) a region, 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.

(ad) Compliance with Other Agreements. The Borrower has complied at all times prior to the A&R Effective Date with the terms of its limited liability company agreement and the other agreements to which it is a party, including the Existing A&R Loan and Security Agreement.

(ae) Sanctions. None of the Borrower nor any Person directly or indirectly controlling the Borrower, any Person directly or indirectly controlled by the Borrower and, to the Borrower's knowledge, any other Sanctions Party of any of the foregoing: (a) is a Sanctioned Person, (b) is controlled by or is acting on behalf of a Sanctioned Person, (c) is, to the Borrower's knowledge, under investigation for an alleged breach of Sanction(s) by a governmental authority that enforces Sanctions, or (d) will fund any repayment of the credit with proceeds derived from any transaction that would be prohibited by Sanctions or would otherwise cause any Lender or any other party to this Agreement or any Sanctions Party to be in breach of any Sanctions. The Borrower will notify the Lenders and Administrative Agent in writing promptly after becoming aware of any breach of this section.

(af) Beneficial Ownership Certification. As of the Third Amendment Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

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 1.2. Representations and Warranties of the Borrower Relating to the Agreement and the Collateral.**

The Borrower hereby represents and warrants, as of the A&R Effective 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 is located pursuant to Section 5.5(c)), 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, the security interest created hereby 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 Article 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 A&R Effective Date and each Funding Date, (i) the Loan Schedule 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 acquired by the Borrower without any fraud or material misrepresentation.

**Section 1.3. Representations and Warranties of the Collateral Manager.**

The Collateral Manager represents and warrants as follows as of the A&R Effective 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 Manager has been duly organized, and is validly existing as a corporation in good standing, under the laws of the State of Delaware, with all requisite corporate power and authority to own or lease its properties and conduct its business as such business is presently conducted.

(b) Due Qualification. The Collateral Manager is duly qualified to do business and is in good standing as a corporation, 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 Manager (i) has all necessary corporate 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 corporate 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 Manager is a party have been duly executed and delivered by the Collateral Manager.

(d) Binding Obligation. Each Transaction Document to which the Collateral Manager is a party constitutes a legal, valid and binding obligation of the Collateral Manager enforceable against the Collateral Manager 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 Manager's certificate of formation, operating agreement or any Contractual Obligation of the Collateral Manager, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the Collateral Manager'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 Manager, threatened against the Collateral Manager, before any Governmental Authority (i) asserting the invalidity of any Transaction Document to which the Collateral Manager is a party, (ii) seeking to prevent the consummation

of any of the transactions contemplated by any Transaction Document to which the Collateral Manager 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 Manager of each Transaction Document to which the Collateral Manager 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 Manager 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 Manager 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 Manager is not the subject of any Insolvency Proceedings or Insolvency Event. The transactions under the Transaction Documents to which the Collateral Manager is a party do not and will not render the Collateral Manager not Solvent.

(k) Taxes. The Collateral Manager is a U.S. Person and is treated as a corporation for U.S. federal income tax purposes. The Collateral Manager has filed or caused to be filed all U.S. federal and other 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 U.S. federal and other material Taxes and all material assessments, in each case, that are due, 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 Manager), and no U.S. federal or other material tax lien (other than a Permitted Lien in respect of Taxes) has been filed and, to the Collateral Manager's knowledge, no material 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 Manager 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 Manager 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) 1940 Act. The Collateral Manager is regulated as a business development company under the 1940 Act.

(n) Compliance with Law. The Collateral Manager 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 Manager since January 14, 2014.

(p) Actions of the Collateral Manager. The Collateral Manager acknowledges and agrees that, as of the date hereof, all of the Loans owned by the Borrower as of the A&R Effective Date (or subject to irrevocable commitments to purchase by the Borrower for settlement (as participations or assignments) after the A&R Effective 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 A&R Effective Date (or, in respect of Loans with respect to which the Borrower has entered into irrevocable commitments to purchase as of the A&R Effective Date for settlement after the A&R Effective Date) of each Loan set forth on Schedule III.

(q) Sanctions. None of the Collateral Manager, any Person directly or indirectly controlling the Collateral Manager nor any Person directly or indirectly controlled by the Collateral Manager and, to the Collateral Manager's knowledge, any other Sanctions Party of any of the foregoing (a) is a Sanctioned Person, (b) is controlled by or is acting on behalf of a Sanctioned Person, (c) is under investigation for an alleged breach of Sanction(s) by a governmental authority that enforces Sanctions, or (d) will fund any repayment of the credit with proceeds derived from any transaction that would be prohibited by Sanctions or would otherwise cause any Lender or any other party to this Agreement or any Sanctions Party to be in breach of any Sanctions. The Collateral Manager will notify the Lenders and Administrative Agent in writing promptly after becoming aware of any breach of this section.

#### **Section 1.4. 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 1.1. Affirmative Covenants of the Borrower.

The Borrower covenants and agrees with the Lenders that during the Covenant Compliance Period:

(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 limited liability 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.

(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; *provided* that 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 two such visits and inspections in any fiscal year; *provided further* that, during the continuance of a Collateral Manager Default or an Event of Default, there shall be no limit to the number of such visits and inspections, and after the resolution of such Collateral Manager Default or Event of Default, the number of visits occurring in the current fiscal quarter shall be deemed to be zero. For the avoidance of doubt, the Administrative Agent may, and shall upon request of any Lender, permit each such requesting Lender to be included on any such visit and inspection, and shall use reasonably commercial efforts to schedule any visit on a day when such requesting Lenders desiring to attend such visit may be included.

(e) Protection of Interest in Collateral. With respect to the Collateral, the Borrower will (i) acquire such Collateral directly from a third party, (ii) (at the Collateral Manager'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 Manager'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) subject to Section 5.1(d) above, 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 shall cause the Collateral Manager to, instruct each Obligor to deliver all Collections to the applicable Collection Account.

(ii) The Borrower shall promptly (but in no event later than two (2) 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(t).

(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) The Borrower shall pay its material Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all U.S. federal and other 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 (other than a Permitted Lien) upon such properties or any part thereof and enforce all material indemnities and rights against Obligors with respect to any U.S. federal and other material Tax or withholding Tax; *provided*, that such payment and discharge shall not be required with respect to any such U.S. federal and other Taxes or other obligations so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Borrower and/or the Taxable Entity, as appropriate, 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) The Borrower will be a "disregarded entity" of the Collateral Manager for U.S. federal income tax purposes.

(iii) The Borrower 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 originate or acquire Loans (including to fund Delayed Draw Loans and Revolving Loans), to make distributions to its member in accordance with the terms hereof or to pay related expenses (including expenses payable hereunder).

(l) Beneficial Ownership Regulation. Promptly following any request therefor, if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, the Borrower shall deliver to the Administrative Agent information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with the Beneficial Ownership Regulation.

(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 and other Permitted Liens.

(n) Notices. The Borrower will furnish (or cause the Taxable Entity to 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 IRS 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 or the Taxable Entity 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 or the Collateral Manager; *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 or the Collateral Manager 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 Manager Default, (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", and (6) of the occurrence of any default by an Obligor on any Loan;

(vii) Organizational 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, organizational structure or location of records of the Borrower or the Collateral Manager; *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;

(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; and

(ix) Removal and Resignation of Independent Manager. No less than five (5) Business Days prior to any removal of the Independent Manager of any such removal, and within five (5) Business Days after any resignation of the Independent Manager.

(o) Contest Recharacterization. The Borrower shall in good faith contest any attempt to recharacterize the treatment of the Loans as property of the bankruptcy estate of the Collateral Manager.

(p) Payment Date Reporting. The Borrower shall deliver (or shall cause to be delivered) a Borrowing Base Certificate on each Reporting Date, determined as of the immediately preceding Determination Date. Each such Borrowing Base Certificate delivered immediately prior to a Payment Date 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) Borrower Financial Statements. Unless the Borrower is consolidated with the BDC for financial reporting purposes, the Borrower will submit to the Administrative Agent (which shall promptly deliver to 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, consolidated audited financial statements of the Borrower, audited by a firm of nationally recognized independent public accountants.

(r) BDC Financial Statements. The Borrower will cause the BDC to submit to the Administrative Agent (which shall promptly deliver to 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 BDC for the most recent fiscal quarter, (B) within ninety (90) days after the end of each fiscal year consolidated audited financial statements of the BDC, audited by a firm of nationally recognized independent public accountants.

(s) BDC Assets. The Borrower will submit to the Administrative Agent (which shall promptly deliver to 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 1.5:1, 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 1.75:1.

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 1.5:1. 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 1.75:1, 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(l) shall be deemed to be waived by the Administrative Agent and the Required Lenders for all purposes of this Agreement pursuant to Section 12.1, in each case as of the second (2<sup>nd</sup>) of such BDC Reporting Dates.

(t) BDC Status. The BDC will use its best efforts to continue to be regulated as a business development company under the 1940 Act.

(u) 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(r). 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.

(v) Non-Consolidation. The Borrower shall at all times act in a manner such that each of the assumptions made by Schulte Roth & Zabel LLP in their opinion delivered pursuant to Section 3.1(f)(ii) 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.

(w) Compliance with Anti-Money Laundering Laws and Anti-Corruption Laws. The Borrower, any Person directly or indirectly controlling the Borrower, any Person directly or indirectly controlled by the Borrower and, to the Borrower's knowledge, any other Sanctions Party of any of the foregoing shall: (a) comply with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws, and shall maintain policies and procedures reasonably designed to ensure compliance with the Anti-Money Laundering and Anti-Corruption Laws, (b) conduct the requisite due diligence in connection with the transactions contemplated herein for purposes of complying with the Anti-Money Laundering Laws, (c) ensure it does not use any of the credit in violation of any Anti-Corruption Laws or Anti-Money Laundering Law, and (d) ensure it does not fund any repayment of the credit in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws. The Borrower shall, upon the request of the Administrative Agent from time to time, provide certification of the Borrower's compliance with this Section 5.1(w).

(x) Compliance with Sanctions. None of the Borrower, any Person directly or indirectly controlling the Borrower, any Person directly or indirectly controlled by the Borrower or, to the Borrower's actual knowledge, any other Sanctions Party of any of the foregoing will, directly or indirectly, use the proceeds of any Loan hereunder, or lend, contribute, or otherwise make available such proceeds to any subsidiary, joint venture partner, or other Person (i) to fund any activities or business of or with a Sanctioned Person, or (ii) in any manner that would be prohibited by Sanctions or would otherwise cause any Lender to be in breach of any Sanctions.

Each Person shall comply with all applicable Sanctions in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with Sanctions. The Borrower will notify each Lender and the Administrative Agent in writing promptly after becoming aware of any breach of this section.

(y) 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 Manager 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 1.2. 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, (C) the sale or disposition of Loans and other Collateral as permitted hereunder and (D) offering or providing managerial assistance to any portfolio company of the BDC or the Borrower, (ii) incur any Indebtedness, obligation, liability or contingent obligation of any kind other than pursuant to the Transaction Documents or (iii) form any Subsidiary or make any Investment in any other Person (other than Permitted Investments).

(b) Collateral Not to be Evidenced by Instruments. The Borrower will take no action to cause any Loan that is not, as of the A&R 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 or 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 (other than in connection with the enforcement or collection of any Loan or as a result of a workout or restructuring of an Obligor), or sell, transfer, divide, 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 as otherwise permitted pursuant to this Agreement).

(e) 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 office set forth in Section 5.5(c) on the A&R 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.

(f) 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.

(g) Borrower LLC Agreement. The Borrower will not amend, modify, waive or terminate (i) any provision of the Borrower LLC Agreement if such amendment, modification, waiver or termination would result in a Default, Event of Default or Material Adverse Effect or (ii) any Special Purpose Provision, in each case without the prior written consent of the Administrative Agent.

(h) Changes in Payment Instructions to Obligors. The Borrower will not make any change, or permit the Collateral Manager to make any change, in its instructions to Obligors regarding payments to be made with respect to the Collateral to the Collection Account, unless (x) the change in such instructions is to comply with the terms of the Transaction Documents or (y) the Administrative Agent has consented to such change.

(i) Extension or Amendment of Collateral. The Borrower will not, except as otherwise permitted in Section 6.4(a), consent to the extension, amendment or other modification of the terms of any Loan without the prior written consent of the Administrative Agent.

(j) 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.

(k) Change of Control. The Borrower shall not enter into any transaction or agreement which results in a Change of Control.

(l) Sole Ownership. The Borrower shall not have more than one (1) owner of its membership interests during the term of this Agreement.

(m) 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.

**Section 1.3. Affirmative Covenants of the Collateral Manager.**

The Collateral Manager covenants and agrees with the Lenders that during the Covenant Compliance Period:

(a) Compliance with Law. The Collateral Manager 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 Manager 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 corporation 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 Manager 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 Manager 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 Manager shall permit the Administrative Agent and, upon the request of any Lender, each such requesting Lender or their respective designated representatives to visit the offices of the Collateral Manager 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 Manager having knowledge of such matters; *provided* that the right of the Administrative Agent and any requesting Lender provided herein to visit and inspect the financial records and properties of the Collateral Manager shall be limited to not more than one (1) such visit and inspection in any fiscal quarter; *provided further* that after the occurrence of a Collateral Manager Default or 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 Collateral Manager Default or Event of Default, the number of visits occurring in the current fiscal quarter shall be deemed to be zero.

(iii) The Collateral Manager 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 pledge of the Collateral by the Borrower to the Administrative Agent as agent for the Secured Parties hereunder.

(e) Preservation of Security Interest. The Collateral Manager (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 Manager 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 Manager 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 Manager 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 Manager's knowledge or notice of the occurrence of any Event of Default or Default, the Collateral Manager will provide the Administrative Agent with written notice of the occurrence of such Event of Default or Default of which the Collateral Manager has knowledge or has received notice. In addition, such notice will include a written statement of a Responsible Officer of the Collateral Manager setting forth the details of such event and the action that the Collateral Manager proposes to take with respect thereto.

(h) Taxes.

(i) The Collateral Manager shall pay its material Indebtedness and other obligations promptly and in accordance with their terms and timely pay and discharge promptly when due all U.S. federal and other 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 (other than a Permitted Lien) upon such properties or any part thereof and enforce all material indemnities and rights against Obligors and the Collateral Manager with respect to any U.S. federal and other material Tax or withholding Tax; *provided*, that such payment and discharge shall not be required with respect to any such U.S. federal and other Taxes or other obligations so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and the Collateral Manager 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. The Collateral Manager shall file or cause to be filed all U.S. federal and other material Tax and information returns required to be filed by it.

(ii) The Collateral Manager will be a U.S. Person and will be treated as a corporation for U.S. federal income tax purposes.

(i) Other. The Collateral Manager 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 Manager as the Administrative Agent (on behalf of itself or any Lender) may from time to time reasonably request in order to protect the interests of the Administrative Agent or other Secured Parties under or as contemplated by this Agreement.

(j) Proceedings. The Collateral Manager will furnish to the Administrative Agent, as soon as possible and in any event within three (3) Business Days after the Collateral Manager 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 Manager 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 Manager 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 Manager 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 Manager.

(l) Required Notices. The Collateral Manager will furnish to the Administrative Agent, promptly upon becoming aware thereof, notice of (1) any Collateral Manager Default, (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 Manager will provide to the Administrative Agent notice of any change in the accounting policies of the Collateral Manager.

(n) Loan Register. The Collateral Manager will maintain, or cause to be maintained, with respect to each Noteless Loan with respect to which the Collateral Manager or an Affiliate thereof acts as administrative agent (or a comparable capacity), a register (each, a "Loan Register") in which it will record, or cause to be recorded, (v) the principal amount of such Noteless Loan, (w) the amount of any principal or interest due and payable or to become due and payable from the Obligor thereunder, (x) the amount of any sum in respect of such Noteless Loan received from the related Obligor, (y) the date of origination of such Noteless Loan and (z) the maturity date of such Noteless Loan. At any time such a Noteless Loan is included in the Collateral, the Collateral Manager shall deliver to the Borrower, the Administrative Agent and the Collateral Custodian a copy of the related Loan Register, together with a certificate of a Responsible Officer of the Collateral Manager certifying to the accuracy of such Loan Register as of the date of acquisition of such Noteless Loan by the Borrower, all of which information may be included in the applicable Borrowing Base Certificate.

(o) Collateral Manager Financial Statements. The Collateral Manager will submit to the Administrative Agent (which shall promptly deliver to each Lender), within ninety (90) days after each fiscal year of the Collateral Manager, consolidated audited financial statements of the Collateral Manager, audited by a firm of nationally recognized Independent public accountants.

(p) Compliance with Anti-Money Laundering Laws and Anti-Corruption Laws. The Collateral Manager, any Person directly or indirectly controlling the Collateral Manager, any Person directly or indirectly controlled by the Collateral Manager and, to the Collateral Manager's actual knowledge, any other Sanctions Party of any of the foregoing shall: (a) comply with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws, and

shall maintain policies and procedures reasonably designed to ensure compliance with the Anti-Money Laundering and Anti-Corruption Laws, (b) conduct the requisite due diligence in connection with the transactions contemplated herein for purposes of complying with the Anti-Money Laundering Laws, (c) ensure it does not use any of the credit in violation of any Anti-Corruption Laws or Anti-Money Laundering Law, and (d) ensure it does not fund any repayment of the credit in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws. The Collateral Manager shall, upon the request of the Administrative Agent from time to time, provide certification of the Collateral Manager's compliance with this Section 5.3(p).

(q) Compliance with Sanctions. None of the Collateral Manager, any Person directly or indirectly controlling the Collateral Manager, any Person directly or indirectly controlled by the Collateral Manager or, to the Collateral Manager's actual knowledge, any other Sanctions Party of any of the foregoing will, directly or indirectly, use the proceeds of any Loan hereunder, or lend, contribute, or otherwise make available such proceeds to any subsidiary, joint venture partner, or other Person (i) to fund any activities or business of or with a Sanctioned Person, or (ii) in any manner that would be prohibited by Sanctions or would otherwise cause any Lender to be in breach of any Sanctions. The Collateral Manager, each Person directly or indirectly controlled by the Collateral Manager and, to the Collateral Manager's actual knowledge, each other Sanctions Party shall comply with all applicable Sanctions in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with Sanctions. The Collateral Manager will notify each Lender and the Administrative Agent in writing promptly after becoming aware of any breach of this section.

#### **Section 1.4. Negative Covenants of the Collateral Manager.**

During the Covenant Compliance Period:

(a) Mergers, Acquisition, Sales, etc. The Collateral Manager will not be a party to any merger or consolidation, 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 as otherwise permitted pursuant to this Agreement).

(b) Change of Location of Underlying Instruments. The Collateral Manager 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 A&R Effective Date, unless the Collateral Manager 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 Manager 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 (x) the change in such instructions is to comply with the terms of the Transaction Documents or (y) the Administrative Agent has consented to such change.

(d) Extension or Amendment of Collateral. The Collateral Manager will not, except as otherwise permitted in Section 6.4(a), consent on behalf of the Borrower to the extension, amendment or modification to the terms of any Loan without the prior written consent of the Administrative Agent.

(e) Members of the Borrower. The Collateral Manager 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) Bankruptcy. The Collateral Manager will not cause the Borrower to file a voluntary petition under the Bankruptcy Code or Insolvency Laws.

**Section 1.5. 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 its offices at 425 Hennepin Ave., Minneapolis, MN, 55414, 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 Manager on a temporary basis in accordance with the terms hereof, except as such Underlying Instruments may be released pursuant to this Agreement.

**Section 1.6. 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 MANAGEMENT**

**Section 1.1. Designation of the Collateral Manager.**

Subject to Section 6.11, the servicing, administering and collection of the Collateral shall be conducted by the Collateral Manager.



## **Section 1.2. Duties of the Collateral Manager.**

(a) Appointment. The Borrower hereby appoints the Collateral Manager as its agent to service the Collateral and enforce its rights and remedies in, to and under such Collateral. The Collateral Manager hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto as set forth herein. The Collateral Manager 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 Manager hereunder.

(b) Duties. The Collateral Manager 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 Manager 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 granting a Lien thereon 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 Manager Default, 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 Manager during normal business hours, subject to Section 5.3(d)(ii); 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 Manager acts as lead agent with respect to any Loan, the Collateral Manager 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 Manager Termination Notice), shall not release the Collateral Manager 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 Manager 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 1.3. Authorization of the Collateral Manager.**

(a) Each of the Borrower, the Administrative Agent and each Lender hereby authorizes the Collateral Manager to take any and all reasonable steps in its name and on its behalf necessary or desirable in the determination of the Collateral Manager and not inconsistent with the sale of the Collateral to the Borrower, the pledge 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 Manager with any powers of attorney and other documents necessary or appropriate to enable the Collateral Manager to carry out its management and administrative duties hereunder, and shall cooperate with the Collateral Manager to the fullest extent in order to ensure the collectability of the Collateral. In no event shall the Collateral Manager 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 Manager shall take such action as the Administrative Agent may deem necessary or advisable to enforce collection of the Collateral.

**Section 1.4. Collection of Payments; Accounts.**

(a) Collection Efforts, Modification of Collateral. The Collateral Manager 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 Manager 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 Manager 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 Manager shall have instructed all Obligor to make all payments owing to the Borrower in respect of the Collateral directly to the applicable Collection Account; *provided* that, the Collateral Manager is not required to so instruct any Obligor which is solely a guarantor unless and until the Collateral Manager 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 of, or the grant by the Borrower of a security interest to the Administrative Agent in, 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 Manager 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 Manager in the form of a check that is not honored for any reason or (ii) the Collateral Manager 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 Manager 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 1.5. Realization Upon Defaulted or Delinquent Loans.**

The Collateral Manager will use reasonable efforts consistent with the Underlying Instruments to exercise available remedies relating to a Loan that is delinquent in the payment of any amounts due thereunder or with respect to which the related Obligor defaults in the performance of any of its obligations thereunder in order to maximize recoveries thereunder. The Collateral Manager 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 Manager may, with the prior written consent of the Administrative Agent, cause the sale of any such Underlying Assets to the Collateral Manager 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 Manager 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 1.6. [Intentionally Omitted.]**

**Section 1.7. Payment of Certain Expenses by Collateral Manager.**

The Collateral Manager 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 Manager, expenses incurred by the Collateral Manager 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 Manager 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 Manager shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor.

**Section 1.8. Reports.**

(a) Borrower's Notice. On the date of each Transaction, the Borrower (and the Collateral Manager 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 Manager shall deliver copies of all federal, state and local income tax returns and reports filed by the Borrower or the Collateral Manager, or in which the Borrower or the Collateral Manager was included on a consolidated or combined basis (excluding sales, use and like Taxes).

(c) Obligor Financial Statements; Other Reports. The Collateral Manager will deliver to the Administrative Agent, to the extent received by the Borrower or the Collateral Manager 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 Manager for the periods required by the Underlying Instruments, which delivery shall be made within fifteen (15) Business Days after receipt by the Borrower or the Collateral Manager as specified in the Underlying Instruments. Upon demand by the Administrative Agent, the Collateral Manager will provide such other information available to it as the Administrative Agent may reasonably request with respect to any Obligor.

(d) Liquidity Reports. Within five (5) Business Days of the written request of the Administrative Agent, the Collateral Manager shall provide a report to the Administrative Agent and the Lenders setting forth the liquidity position of the BDC, in form and substance mutually agreed to by the Administrative Agent and the Collateral Manager.

#### **Section 1.9. Annual Statement as to Compliance.**

The Collateral Manager will provide to the Administrative Agent and each Lender, within 90 days following the end of each fiscal year of the Collateral Manager, a fiscal report signed by a Responsible Officer of the Collateral Manager certifying that (a) a review of the activities of the Collateral Manager, and the Collateral Manager'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 Manager 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 Manager Default has occurred and is continuing or, if any such Collateral Manager Default has occurred and is continuing, a statement describing the nature thereof and the steps being taken to remedy such Collateral Manager Default.

#### **Section 1.10. The Collateral Manager Not to Resign.**

The Collateral Manager shall not resign from the obligations and duties hereby imposed on it except upon the Collateral Manager'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 Manager could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Collateral Manager shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Administrative Agent.

#### **Section 1.11. Collateral Manager Defaults.**

Upon the occurrence of a Collateral Manager Default, notwithstanding anything herein to the contrary, the Administrative Agent, by written notice to the Collateral Manager and a copy to the Collateral Custodian (such notice, a "Collateral Manager Termination Notice"), may, in its sole discretion, terminate all of the rights and obligations of the Collateral Manager as Collateral

Manager 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 Manager 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 Manager 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 1.1. 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 1.2. 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, and the related original balance (based on a comparison to the note or assignment agreement, as applicable) is greater than or equal to the applicable loan balance listed on the Loan Tape (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 Manager 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 Manager of such discrepancy, and (2) any Review Criteria is not satisfied, the Collateral Custodian shall within one (1) Business Day notify the Collateral Manager of such determination and provide the Collateral Manager with a list of the non-complying Loans and the applicable Review Criteria that they fail to satisfy. The Collateral Manager shall have twenty (20) Business Days to correct any non-compliance with any Review Criteria. If after the conclusion of such time period the Collateral Manager has still not cured any non-compliance by a Loan with any Review Criteria, the Collateral Custodian shall promptly notify the Collateral Manager, 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 Manager 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 its offices set forth in Section 5.5(c). 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 Manager (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 Collateral Manager on behalf of the Borrower, re-calculate the Borrowing Base and, if the Collateral Custodian's calculation does not correspond with the calculation provided by the Collateral Manager on such Borrowing Base Certificate, deliver such calculation to each of the Administrative Agent, Borrower and Collateral Manager within one (1) Business Day of receipt by the Collateral Custodian of such Borrowing Base Certificate. The Collateral Custodian shall also make required calculations for its Payment Duties as of the Determination Date related to such Payment Date, and deliver such calculations to the Borrower and the Collateral Manager (and, following the delivery of a Notice of Exclusive Control, the Administrative Agent and the Collateral Manager) for the Collateral Manager's (or Administrative Agent's, as applicable) review no later than two (2) Business Days prior to such Payment Date. The approval of such calculations (which may be by email) by the Collateral Manager (or after delivery of a Notice of Exclusive Control, the Administrative Agent) shall constitute instructions by the Collateral Manager (or after delivery of a Notice of Exclusive Control, the Administrative Agent) 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.

(vii) In performing its duties, (A) the Collateral Custodian shall comply with the standard of care and express terms of the Transaction Documents with respect to the collateral that it holds hereunder and (B) calculations made by the Collateral Custodian pursuant to this Section 7.2(b) shall be made using information provided by the Borrower or the Collateral Manager to the Collateral Custodian.

(viii) The parties acknowledges that in accordance with the Customer Identification Program (CIP) requirements under the USA Patriot Act and its implementing regulations, the Collateral Custodian in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Collateral Custodian. The Borrower hereby agrees that it shall provide the Collateral Custodian with such information as it may reasonably request including, but not limited to, the Borrower's name, physical address, tax identification number and other information that will help the Collateral Custodian identify and verify the Borrower's identity such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

(ix) The Collateral Custodian shall create a collateral database with respect to the Collateral (the "Collateral Database"), and update the Collateral Database daily for changes, including to reflect the sale or other disposition of the Collateral, based upon, and to the extent of, information furnished to the Collateral Custodian by the Borrower as may be reasonably required by the Collateral Custodian.

(x) The Collateral Custodian shall track the receipt and daily allocation to the Accounts of Collections, the outstanding balances therein, and any withdrawals therefrom and, on each Business Day, provide to the Collateral Manager daily reports reflecting such actions as of the close of business on the preceding Business Day.



(xi) The Collateral Custodian shall provide such other information with respect to the Collateral as may be routinely maintained by the Collateral Custodian or as may be required by this Agreement, in each case as the Borrower, Collateral Manager or the Administrative Agent may reasonably request from time to time.

(xii) The Collateral Custodian shall notify the Borrower, the Collateral Manager and the Administrative Agent upon receiving notices, reports or proxies or any other requests relating to corporate actions affecting the Collateral.

(xiii) In performing its duties, the Collateral Custodian shall comply with the standard of care and express terms of the Transaction Documents with respect to the collateral that it holds hereunder.

**Section 1.3. 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 1.4. 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 provisions of Sections 2.7 and 2.8, 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 1.5. 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. The appointment of any successor Collateral Custodian that is not an Affiliate of Wells Fargo shall (unless a Default or Event of Default has occurred and is continuing) require the approval of the Borrower (such approval not to be unreasonably withheld). In the case of a removal of the Collateral Custodian, if no successor custodian shall have been appointed and an instrument of acceptance by a successor custodian shall not have been delivered to the Collateral Custodian within 90 days after the giving of a Collateral Custodian Termination Notice, the Collateral Custodian may petition any court of competent jurisdiction for the appointment of a successor custodian.

**Section 1.6. 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 oral instructions of the Administrative Agent. The Collateral Custodian shall not be deemed to have notice or knowledge of any matter hereunder unless a Responsible Officer of the Collateral Custodian receives written notice of such matter. Notice or knowledge of any matter by Wells Fargo in its capacity as Administrative Agent or Lender and other publicly available information shall not constitute notice or actual knowledge of the Collateral Custodian.

(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 be contrary to Applicable Law or 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.

(h) It is expressly acknowledged by the parties hereto that application and performance by the Collateral Custodian of its various duties hereunder (including, without limitation, recalculations to be performed in respect of the matters contemplated hereby) shall be based upon, and in reliance upon, data, information and notice provided to it by the Collateral Manager, the Administrative Agent, the Borrower and/or any related bank agent, Obligor or similar party, and the Collateral Custodian shall have no responsibility for the accuracy of any such information or data provided to it by such persons and shall be entitled to update its records (as it may deem necessary or appropriate) based on such information or data.

(i) In no event shall the Collateral Custodian 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 Collateral Custodian has been advised of the likelihood of such loss or damage and regardless of the form of action.

(j) In no event shall the Collateral Custodian be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, government action (including any laws, ordinances, regulations) or the like that delay, restrict or prohibit the providing of services by the Collateral Custodian as contemplated by this Agreement.

**Section 1.7. 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 Manager, 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, appointed pursuant to Section 7.5, shall have assumed the responsibilities and obligations of the Collateral Custodian hereunder. In the case of a resignation of the Collateral Custodian, if no successor custodian shall have been appointed and an instrument of acceptance by a successor custodian shall not have been delivered to the Collateral Custodian within 90 days after the giving of such notice of resignation, the Collateral Custodian may petition any court of competent jurisdiction for the appointment of a successor custodian.

**Section 1.8. 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 Manager of a request for release of documents and receipt in the form annexed hereto as Exhibit E, to release to the Collateral Manager 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 Manager. All documents so released to the Collateral Manager shall be held by the Collateral Manager in trust for the benefit of the Administrative Agent in accordance with the terms of this Agreement. The Collateral Manager 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 Manager'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 Manager to the Collateral Custodian in the form annexed hereto as Exhibit E, the Collateral Manager's request and receipt submitted pursuant to the first sentence of this subsection shall be released by the Collateral Custodian to the Collateral Manager.

(b) Release for Payment. Upon receipt by the Collateral Custodian of the Collateral Manager'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 Manager.

**Section 1.9. 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 Underlying Instrument (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 2.14 or (d) 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 1.10. Access to Certain Documentation and Information Regarding the Collateral; Audits.**

The Collateral Manager, 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 Manager's and Collateral Custodian's normal security and confidentiality procedures; *provided* that the Administrative Agent may, and shall upon request of any Lender, permit each such requesting Lender to be included on any such review, and shall use reasonably commercial efforts to schedule any review on a day when such requesting Lenders desiring to participate in such review may be included. Prior to the A&R Effective Date and periodically thereafter at the discretion of the Administrative Agent, the Administrative Agent may review the Collateral Manager's collection and administration of the Collateral in order to assess compliance by the Collateral Manager 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 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 a review of the Underlying Instruments and all other documentation regarding the Collateral. Up to two such reviews or audits per fiscal year shall be at the expense of the Borrower and additional reviews or audits in any fiscal year shall be at the expense of the Administrative Agent; *provided* that, after the occurrence and during the continuance of a Collateral Manager Default or an Event of Default, any such reviews or audits, regardless of frequency, shall be at the expense of the Borrower.

## ARTICLE VIII.

### SECURITY INTEREST

#### Section 1.1. 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 Original 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 (in each case, whether now owned or existing, or hereafter acquired or arising) all of the Collateral, 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, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent. 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 Borrower, the Collateral Manager, the Administrative Agent, the Collateral Custodian and each Lender hereby agree to treat, and to cause each of their respective Affiliates to treat, the Advances as indebtedness for U.S. federal, state and local income and franchise tax purposes 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 1.2. 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 2.14 or a sale pursuant to Section 6.5 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 Manager, 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 Manager of the Proceeds of such sale into the Collection Account, at the sole expense of the Collateral Manager, execute and deliver to the Collateral Manager any assignments, bills of sale, termination statements and any other releases and instruments as the Collateral Manager 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 Manager's obligations hereunder with respect to the Proceeds of any such sale.

**Section 1.3. 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 1.4. Remedies.**

Subject to the provisions of Section 9.2, upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in Section 9.1(l)), 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, subject to the provisions of Section 9.2. Subject to Section 9.2, 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 1.5. Waiver of Certain Laws.**

Each of the Borrower and the Collateral Manager 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 appraisal, 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 Manager, 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 1.6. Power of Attorney.**

Each of the Borrower and the Collateral Manager hereby irrevocably appoints the Administrative Agent its true and lawful attorney (with full power of substitution) in its name, place and stead and at its 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(1)) (and, with respect to the Collateral Manager, during the continuance of a Collateral Manager 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 Manager 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. The power of attorney granted by the Borrower pursuant to this Section 8.6 supersedes any other power of attorney or similar rights granted by the Borrower to any other party (including, without limitation, the Collateral Manager) under this Agreement, any other Transaction Document or any other agreement; *provided* that, the Collateral Manager may continue to exercise its rights under this Agreement until the Collateral Manager has received notice of the Collateral Custodian's exercise of its power of attorney hereunder.

## ARTICLE IX.

### EVENTS OF DEFAULT

#### **Section 1.1. Events of Default.**

The following events shall be Events of Default ("Events of Default") hereunder:

(a) the Collateral Manager or the Borrower 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 (x) with respect to the Borrower, \$500,000 or (y) with respect to the Collateral Manager, \$15,000,000 and, in each case, such default is not cured within the applicable cure period, if any, provided for under such agreement; or

(b) the Borrower fails to make any payment of accrued and unpaid Interest when due and such failure is not cured within three (3) Business Days; or

(c) the Borrower fails to repay (x) the Obligations in full on the Termination Date or (y) the Obligations of the Non-Extending Lenders in full on the earlier to occur of (A) the two-year anniversary of the termination of their respective Commitments and (B) the Termination Date; or

(d) any failure on the part of the Borrower or the Collateral Manager to duly observe or perform in any material respect any other covenants or agreements of such Person (other than those specifically addressed by a separate Event of Default) 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 such Person and (ii) the date on which such Person acquires knowledge thereof; or

(e) any representation, warranty or certification made by the Borrower or the Collateral Manager 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 the Lenders; or

(f) the occurrence of an Insolvency Event relating to the Borrower; or



- (g) the occurrence and continuance of a Collateral Manager Default;
- (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 \$500,000 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
- (i) the Borrower shall have made payments totaling more than \$500,000 in the aggregate to settle any litigation, claim or dispute (excluding the amount of any payment made from insurance proceeds); or
- (j) the occurrence of a Change of Control without the prior written consent of the Administrative Agent; or
- (k) 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
- (l) the occurrence of a Permanent BDC Asset Coverage Event; or
- (m) reserved; or
- (n) the Advances Outstanding on any day exceed the Borrowing Base and the same continues unremedied for five (5) consecutive Business Days; or
- (o) 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
- (p) the Borrower or the Collateral Manager 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
- (q) the Borrower shall cease to be an Affiliate of the BDC, or shall fail to qualify as a bankruptcy-remote entity based upon the criteria set forth in Section 4.1(t), such that neither Schulte Roth & Zabel LLP nor another law firm reasonably acceptable to the Administrative Agent could render a substantive non-consolidation opinion with respect thereto; or
- (r) 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 Manager, as applicable; or
- (s) the Borrower, the Collateral Manager or any Affiliate thereof or a Governmental Authority 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

(t) the Borrower or the pool of Collateral shall become required to register as an “investment company” within the meaning of the 1940 Act; or

(u) the IRS or any other Governmental Authority shall (i) except as permitted under Section 4.1(k), assess, claim or take the position that the Borrower is liable for any Tax or withholding Tax (other than a withholding tax under Section 1441 of the Code) in an amount exceeding, in the aggregate, \$250,000 or (ii) file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of the Borrower, 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 and such lien shall not have been released within five (5) Business Days; or

(v) the failure of New Mountain Finance Corporation, on the last day of any fiscal quarter, to maintain Shareholders’ Equity of at least (i) \$750,000,000 plus (ii) 50% of the net proceeds of the aggregate sale of equity interests after September 30, 2020 by the Collateral Manager and its subsidiaries;

## **Section 1.2. Remedies.**

(a) Upon the occurrence of an Event of Default, the Administrative Agent may, with the consent of the Required Lenders, and shall, at the request of the Required Lenders, by notice to the Borrower, declare (i) the Termination Date to have occurred and the Obligations 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 with respect to all Commitments to have occurred; *provided* that, in the case of any event involving the Borrower described in Section 9.1(f), the Obligations 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. During the continuation of an Event of Default described in Section 9.1(l), if no other Event of Default has occurred and is continuing, 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 or the Secured Parties to (A) declare the Termination Date as set forth in clause (i) above and (B) foreclose on or liquidate the Collateral or any portion thereof.

(b) 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 Manager hereby agree that they will, at the Collateral Manager’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, subject to Section 9.2(c). 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.

(c) In connection with the sale of the Collateral following a declaration that the Obligations are immediately due and payable (or automatic acceleration thereof) pursuant to Section 9.2(a), the Collateral Manager (or any of its Affiliates) shall have the right to purchase all of the Loans in the Collateral by paying to the Collateral Custodian in immediately available funds, an amount equal to all outstanding Obligations. If the Collateral Manager or any Affiliate thereof fails to exercise this purchase right within ten (10) days following the declaration that the Obligations are immediately due and payable pursuant to Section 9.2(a), then such rights shall be irrevocably forfeited by the Collateral Manager and its Affiliates (but, for the avoidance of doubt, such parties shall have the right to participate in any sale pursuant to Section 9.2(b)).

## ARTICLE X.

### INDEMNIFICATION

#### Section 1.1. 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 the Existing A&R Loan and Security 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. 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 Manager 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 Original Closing Date to be an Eligible Loan as of the Original Closing Date and the failure of any Loan acquired after the Original Closing Date to be an Eligible Loan on the related Funding Date;
- (iii) the failure by the Borrower or the Collateral Manager 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, a first priority, perfected Lien on the Collateral, together with all Collections, free and clear of any other 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 Borrowing Base 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 Manager, (ii) could have been cured by either the Collateral Manager 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 Manager 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) the failure of the Collateral Custodian to remit any amounts held in the Collection Account pursuant to the instructions of the Collateral Manager 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;

(ix) 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 Collateral Manager to qualify to do business or file any notice or business activity report or any similar report;

(x) any action taken by the Borrower or the Collateral Manager in the enforcement or collection of any Collateral;

(xi) 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;

(xii) 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;

(xiii) 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;

(xiv) except with respect to funds held in the Collection Account and the Unfunded Exposure Account, the commingling of Collections on the Collateral at any time with other funds;

(xv) any investigation, litigation or proceeding related to this Agreement or the use of proceeds of Advances or the security interest in the Collateral;

(xvi) 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;

(xvii) the use of the proceeds of any Advance in a manner other than as provided in this Agreement;

(xviii) the failure of the Borrower or any of its agents or representatives to remit to the Collateral Manager or the Administrative Agent, Collections on the Collateral remitted to the Borrower, the Collateral Manager or any such agent or representative as provided in this Agreement; or

(xix) the failure of the Collateral Manager 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 pursuant to Section 2.7 or 2.8, as applicable, on the later of the next Payment Date and 30 days after receipt by the Borrower of such Person's demand therefor 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 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 on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations; *provided* that, the Borrower shall not 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 Manager or the Collateral Custodian and the termination of this Agreement.

#### **Section 1.2. Indemnities by the Collateral Manager.**

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Collateral Manager 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 (x) any gross negligence or willful misconduct of the Collateral Manager or (y) any acts or omissions of the Collateral Manager arising out of a breach of its obligations and duties under this Agreement and each other Transaction Document to which it is a party, including, but not limited to (i) any representation or warranty made by the Collateral Manager under or in connection with any Transaction Document or any other information or report delivered by or on behalf of the Collateral Manager 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 Manager to comply with any Applicable Law, (iii) the failure of the Collateral Manager to comply with its duties or obligations in accordance with this Agreement, (iv) any gross negligence, willful misconduct or fraud on the part of the Collateral Manager or (v) any litigation, proceedings or investigation against the Collateral Manager in connection with any Transaction Document or its role as Collateral Manager hereunder solely to the extent of (I) any gross negligence or willful misconduct of the Collateral Manager or (II) any acts or omissions of the Collateral Manager arising from the Collateral Manager's breach of its obligations and duties under this Agreement or any other Transaction Document to which it is a party (excluding, however, in each case, any Indemnified Amounts to the extent resulting from gross negligence, bad faith or willful misconduct on the part of any Indemnified Party as determined by a court of competent jurisdiction by final non-appealable judgment). 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 Manager to the Indemnified Party within five (5) Business Days following such Person's demand therefor.

(c) The Collateral Manager 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 Manager 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 1.3. Taxes.**

This Article X (other than Section 10.1(a)(xiii)) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

**ARTICLE XI.**

**THE ADMINISTRATIVE AGENT**

**Section 1.1. 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 Required 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 Required 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 1.2. Standard of Care; Exculpatory Provisions.**

(a) 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.

(b) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Transaction Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Transaction Documents), *provided* that, the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Transaction Document or Applicable Law; and

(iii) shall not, except as expressly set forth herein and in the other Transaction Documents, have any duty to disclose, and shall not be liable for the failure to

disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(c) The Administrative Agent shall not be liable to any Lender for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Collateral Manager, the Borrower or a Lender.

(d) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Transaction Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Transaction Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

### **Section 1.3. 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 Manager or to inspect the property (including the books and records) of the Borrower or the Collateral Manager; (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 1.4. 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 1.5. Indemnification of the Administrative Agent.**

Each Lender agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower or the Collateral Manager), 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 Manager.

**Section 1.6. 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 each of the Lenders acting jointly. Upon any such resignation or removal, the Required Lenders acting jointly shall appoint a successor Administrative Agent with, unless an Event of Default has occurred and is continuing, 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 1.7. Delegation of Duties**

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Transaction Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility as well as activities as Administrative Agent.

### **Section 1.8. Payments by the Administrative Agent.**

Unless specifically allocated to a specific Lender or group of Lenders 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.

### **Section 1.9. Collateral Matters**

Each of the Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion:

(a) to release any Lien on any Collateral granted to or held by the Administrative Agent, for the ratable benefit of the Secured Parties, under any Transaction Document (i) upon the termination of the Commitment and payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Transaction Document, or (iii) if approved, authorized or ratified in writing in accordance with Section 12.1; and

(b) to subordinate or release any Lien on any Collateral granted to or held by the Administrative Agent under any Transaction Document to the holder of any Permitted Lien.

(c) Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this Section 11.9. In each case as specified in this Section 11.9, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Transaction Documents or to subordinate its interest in such item, in each case in accordance with the terms of the Transaction Documents and this Section 11.9.

### **Section 1.10. Notices**

The Administrative Agent shall deliver to each Lender a copy of any notice it receives from the Borrower or the Collateral Manager hereunder not otherwise delivered to the Lenders.

## ARTICLE XII.

### MISCELLANEOUS

#### Section 1.1. 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 Collateral Manager, the Administrative Agent and the Required Lenders; *provided*, that no amendment, waiver or other modification shall:

(a) increase the Commitment of any Lender or the amount of Advances of any Lender, in any case, without the written consent of such Lender;

(b) waive, extend (except as permitted under Section 2.3(c)) or postpone any date fixed by this Agreement or any other Transaction Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Commitment hereunder or under any other Transaction Document without the written consent of each Lender directly and adversely affected thereby;

(c) reduce the principal of, or the rate of interest specified herein, on any Advance or Obligation, or any fees or other amounts payable hereunder or under any other Transaction Document without the written consent of each Lender directly and adversely affected thereby;

(d) change Section 2.7, Section 2.8 or any related definitions or provisions in a manner that would alter the order of application of proceeds or would alter the pro rata sharing of payments required thereby, in each case, without the written consent of each Lender directly and adversely affected thereby;

(e) change any provision of this Section or reduce the percentages specified in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly affected thereby;

(f) consent to the assignment of or transfer by the Borrower or Collateral Manager of such Person's rights and obligations under any Transaction Document to which it is a party (except as expressly permitted hereunder), in each case, without the written consent of each Lender;

(g) make any modification to the definition of "Borrowing Base", "Advance Rate", "Adjusted Balance" or "Excess Concentration Amount", in each case, which would have

a material adverse effect on the calculation of the Borrowing Base, without the written consent of each Lender; or

(h) release all or substantially all of the Collateral or release any Transaction Document (other than as specifically permitted or contemplated in this Agreement or any other Transaction Document) without the written consent of each Lender;

*provided* further, that (i) any amendment of this 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) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement, (iv) any amendment of this 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, (v) any deemed waiver of an Event of Default described in Section 9.1(l) pursuant to the definition of Permanent BDC Asset Coverage Event in Section 5.1(s) shall be effective without the written agreement of the Borrower, the Administrative Agent and the Required Lenders, and (vi) ~~if a Eurodollar Disruption Event of the type described in clause (d) of such term has occurred or is reasonably expected to occur within the succeeding two (2) months, the Borrower, the Administrative Agent and each Lender may (and such parties will reasonably cooperate with each other in good faith in order to) amend this Agreement to replace references herein to the LIBOR Rate and related terms with any alternative floating reference rate that is then being generally used in U.S. credit markets and~~ (vii) the Administrative Agent and the Borrower shall be permitted to amend any provision of the Transaction Documents (and such amendment shall become effective without any further action or consent of any other party to any Transaction Document) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission to the extent such error or omission, in each case, is of a technical and immaterial nature in any such provision. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

Notwithstanding anything to the contrary herein or in any other Transaction Document, upon the occurrence of a Benchmark Transition Event ~~or an Early Opt-in Election, as applicable~~ with respect to any Benchmark, the Administrative Agent and the Borrower may amend this Agreement to replace ~~the LIBOR Rate~~ such Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has ~~delivered~~ posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders ~~comprising the Required Lenders. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment~~ holding greater than 50% of the aggregate Commitments then in effect. No replacement of ~~the LIBOR Rate~~ a Benchmark with a Benchmark

Replacement pursuant to this Section 12.1 will occur prior to the applicable Benchmark Transition Start Date.

In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Transaction Document.

The Administrative Agent will promptly notify the Borrower, the Collateral ~~Manager, the Collateral~~ Custodian and the Lenders of ~~(i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) A~~ the implementation of any Benchmark Replacement, and (iii) B the effectiveness of any ~~Benchmark Replacement~~ Conforming Changes ~~and (iv) the commencement or conclusion of any Benchmark Unavailability Period~~ in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 12.1, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party ~~hereto~~ to this Agreement or any other Transaction Document, except, in each case, as expressly required pursuant to this Section 12.1.

Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a given Benchmark, the Borrower may revoke any pending request for an Advance to be made during any Benchmark Unavailability Period. During a Benchmark Unavailability Period with respect to any Benchmark or at any time that a tenor for any then-current Benchmark is not available, the Base Rate shall be used instead of such Benchmark to calculate Interest.

~~During any Benchmark Unavailability Period, all Advances denominated in Dollars shall bear interest at the Base Rate.~~

**Section 1.2. 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 1.3. 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 1.4. 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 1.5. Binding Effect; Benefit of Agreement.**

This Agreement shall be binding upon and inure to the benefit of the Borrower, the Collateral Manager, 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 1.6. 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 Manager'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 Manager 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 1.7. Governing Law; Consent to Jurisdiction; Waiver of Objection to Venue; Waiver of Jury Trial.**

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. EACH OF THE PARTIES HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.

**Section 1.8. 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 1.9. Costs and Expenses.**

(a) In addition to the rights of indemnification granted to the Indemnified Parties under ARTICLE X hereof, the Borrower agrees to pay on the later of the next Payment Date and 30 days after receipt by the Borrower of an invoice and request for payment of costs and expenses 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 shall pay on the later of the next Payment Date and 30 days after receipt by the Borrower of an invoice and request for payment of other reasonable costs and expenses incurred by the Administrative Agent and the Collateral Custodian, in each case in connection with periodic audits of the Borrower's or the Collateral Manager's books and records under Section 7.10.

**Section 1.10. 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 1.11. 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 Manager 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, member, manager or director of the Administrative Agent, any Secured Party, the Borrower or the Collateral Manager 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 Manager 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 Manager, and that no personal liability whatsoever shall attach to or be incurred by the Administrative Agent, any Secured Party, the Borrower, the Collateral Manager or any incorporator, stockholder, affiliate, officer, partner, employee, member, manager or director of the Administrative Agent, any Secured Party, the Borrower or the Collateral Manager under or by reason of any of the obligations, covenants or agreements of the Administrative Agent, any Secured Party, the Borrower or the Collateral Manager 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 Manager and each incorporator, stockholder, affiliate, officer, partner, employee, member, manager or director of the Administrative Agent, any Secured Party, the Borrower or the Collateral Manager, or any of them, for breaches by the Administrative Agent, any Secured Party, the Borrower or the Collateral Manager 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, member, manager or director of the Borrower or the Collateral Manager 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 Manager or any other Person against the Administrative Agent and the Secured Parties or their respective Affiliates, directors, officers, employees, members, managers 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 Manager 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 1.12. Protection of Right, Title and Interest in the Collateral; Further Action Evidencing Advances.**

(a) The Collateral Manager 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 of the Secured Parties, hereunder to all property comprising the Collateral. The Borrower shall cooperate fully with the Collateral Manager 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 Manager 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 in connection with any of the Existing Loan and Security Agreements (as the case may be) 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 1.13. Confidentiality.**

(a) Each of the Administrative Agent, the Secured Parties, the Collateral Manager, 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 Manager hereto and their respective businesses obtained by it or them in connection with the structuring, negotiating, execution and administration of the transactions contemplated herein, including any such information obtained pursuant to any right of visitation, inspection, audit or request hereunder or the other terms of this Agreement, 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 Collateral Manager) 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 Manager, 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 Manager Defaults, and priority of payment provisions.

(b) Anything herein to the contrary notwithstanding, each of the Borrower and the Collateral Manager 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, employee, member, manager, 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 Manager 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, if 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 Manager; or (iii) any other disclosure authorized by the Borrower and the Collateral Manager, as applicable.

(d) Notwithstanding any other provision of this Agreement, the Borrower and the Collateral Manager 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 Manager, as the case may be, determines is reasonable (i) any information that the Borrower and/or the Collateral Manager, 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 Manager or any of their Affiliates, or the officers, employees, members, managers 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 1.14. 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 1.15. 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 1.16. 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, with the prior written consent of the Administrative Agent and the Borrower (such consent from the Borrower not to be (x) unreasonably withheld, conditioned or delayed or (y) required if (A) a Default or an Event of Default has occurred and is continuing, (B) such assignment is to any Affiliate of a Lender or (C) such assignment is required by any change in Applicable Law), at any time assign, or grant a security interest or sell a participation interest in or sell any Advance (or portion thereof) or its Commitment hereunder (or any portion thereof) to any Person;

*provided* that, as applicable, (i) no transfer of any Advance (or any portion thereof) or its Commitment hereunder (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) at any time prior to the occurrence of an Event of Default or the Reinvestment Period End Date, 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) Wells Fargo shall (A) unless required by Applicable Law (including, without limitation, the Volcker Rule) not assign more than 49% of the Facility Amount and (B) retain all Eligible Loan 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 its Commitment hereunder (or of any portion thereof) the assignee executes and delivers to the Collateral Manager, the Borrower and the Administrative Agent a fully executed Joinder Supplement substantially in the form of Exhibit I hereto. The parties to any such assignment, grant or sale of a participation interest shall execute and deliver to the applicable Lender for its acceptance and recording in its books and records, such agreement or document as may be satisfactory to such parties. The Borrower agrees that each participant shall be entitled to the benefits of Sections 2.12 and 2.13 (subject to the requirements and limitations therein, including the requirements under Section 2.13(g) (it being understood that the documentation required under Section 2.13(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to this Section 12.16(a); *provided* that, such participant shall not be entitled to receive any greater payment under Sections 2.12 or 2.13, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in Applicable Law that occurs after the participant acquired the applicable participation. 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 and each Lender. Notwithstanding anything contained in this Agreement to the contrary, (i) Wells Fargo 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 its Commitment hereunder (or any portion thereof), to any Person and (ii) if any Lender other than (x) the Administrative Agent or (y) a Lender which is administered by the Administrative Agent or an Affiliate of the Administrative Agent (A) becomes a Defaulting Lender, unless such Lender shall have been deemed to no longer be a Defaulting Lender pursuant to Section 2.16(b), (B) becomes a Non-Consenting Lender, unless such Lender shall have approved the Applicable Amendment, (C) shall have requested compensation from the Borrower pursuant to Section 2.12(a), 2.12(b) or 2.13, unless such Lender shall have withdrawn such request or (D) shall have notified the Borrower of a Eurodollar Disruption Event (~~other than pursuant to clause (d) of such term~~) as to such Lender, unless such Lender shall have withdrawn such notice, then, in each case, each of the Administrative Agent and the Borrower shall have the right to cause such Person to assign its entire interest in the Advances and this Agreement to a transferee selected by the Administrative Agent or the Borrower (as applicable), in an assignment which satisfies the conditions set forth in the second sentence of this Section 12.16(a).

(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 (and stated interest) 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 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, absent manifest error, and the 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.

Each Lender that sells a participation interest hereunder shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each such participant's interest in the obligations under the Transaction Documents (the “Participant Register”); *provided* that, no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any obligations under any Transaction Document) to any Person except to the extent that such disclosure is necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(c) 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 1.17. Heading and Exhibits.**

The headings herein are for purposes of reference 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 1.18. Intent of the Parties.**

It is the intent and understanding of each party hereto that the Advances are loans from the Lenders to the Borrower and do not constitute a “security” within the meaning of Section 8-102(15) of the UCC.

**Section 1.19. Termination of the Safekeeping Agreement.**

The parties hereto hereby agree that the Safekeeping Agreement, dated as of May 19, 2011, among the Borrower, the Administrative Agent and the Collateral Custodian was previously terminated and superseded by the Existing Loan and Security Agreements and shall be further superseded by this Agreement and the other Transaction Documents in all respects.

**Section 1.20. Effect of Amendment and Restatement.**

On the A&R Effective Date, the Existing A&R Loan and Security Agreement 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 A&R Loan and Security Agreement as in effect prior to the A&R 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 the Existing A&R 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.

**Section 1.21. Acknowledgement and Consent to Bail-In of EEA Financial Institutions**

Notwithstanding anything to the contrary in any Transaction Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Transaction Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Transaction Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

**Section 1.22. Recognition of the U.S. Special Resolution Regimes.** To the extent that this Agreement and/or any other Transaction Document constitutes a QFC, the Borrower agrees with each Secured Party as of the Fourth Amendment Closing Date as follows:

(a) In the event a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement and/or any other Transaction Document, and any interest and obligation in or under this Agreement and/or any other Transaction Document from such Covered Party will be effective to the same extent as the

transfer would be effective under the U.S. Special Resolution Regime if this Agreement and/or any other the Transaction Document, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that a Covered Party or a BHC Act Affiliate of such Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement and/or any other Transaction Document that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement and/or any other Transaction Document were governed by the laws of the United States or a state of the United States.

**[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**

By:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**COLLATERAL MANAGER: NEW MOUNTAIN FINANCE CORPORATION, as Collateral Manager**

By:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[Signatures Continued on the Following Page]**

ChangePro Comparison of Wells - New Mountain NMFC - Third A&R Loan and Security Agreement (Conformed through Sixth Am.) and Wells - New Mountain NMFC - Third A&R Loan and Security Agreement (Conformed through Seventh Am.)\_(37382726)\_(29)  
05/05/2023



**THE ADMINISTRATIVE AGENT - WELLS FARGO BANK, NATIONAL ASSOCIATION, as the Administrative Agent**

By: \_\_\_\_\_  
Name:  
Title:

**LENDERS:                      WELLS FARGO BANK, NATIONAL                      ASSOCIATION, as a Lender**

By: \_\_\_\_\_  
Name:  
Title:

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as Swingline Lender**

By: \_\_\_\_\_  
Name:  
Title:

**[Signatures Continued on the Following Page]**

**RAYMOND JAMES BANK, N.A., as a Lender**

By: \_\_\_\_\_  
Name:  
Title:

**STATE STREET BANK AND TRUST COMPANY, as a Lender**

By: \_\_\_\_\_  
Name:  
Title:

**CIT BANK, N.A., as a Lender**

By: \_\_\_\_\_  
Name:  
Title:

**OLD SECOND NATIONAL BANK, as a Lender**

By: \_\_\_\_\_  
Name:  
Title:

**FIFTH THIRD BANK, NATIONAL ASSOCIATION, as a Lender**

By: \_\_\_\_\_  
Name:  
Title:

**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.  
NEW MOUNTAIN FINANCE CORPORATION**

~~787 Seventh Avenue, 49<sup>th</sup>~~ **1633 Broadway, 48th** Floor  
New York, NY 10019

Attention: ~~Rob Hamwee,~~ John Kline, ~~Shiraz Kajee and~~ Laura Holson **and Cyrus Moshiri**

~~Fax: (212) 720-0351~~

**WELLS FARGO BANK, NATIONAL ASSOCIATION**  
***as a Lender, as Swingline Lender and as Administrative Agent***

550 South Tryon Street  
Charlotte, NC 28202  
Attention: Corporate Debt Finance  
Facsimile: (704) 410-0223  
Confirmation: (704) 410-2431  
All electronic dissemination of Notices should be sent to [scp.mmloans@wellsfargo.com](mailto:scp.mmloans@wellsfargo.com)

**WELLS FARGO BANK, NATIONAL ASSOCIATION**  
***as Collateral Custodian***

Wells Fargo Bank, National Association  
9062 Old Annapolis Rd.  
Columbia, Maryland 21045  
Attn: CDO Trust Services—New Mountain Capital  
Fax: (410) 717-3748  
Phone: (410) 884-2000

**RAYMOND JAMES BANK, N.A.**  
***as a Lender***

710 Carillon Parkway  
St. Petersburg, FL 33742  
Attention: Loan OPS/CML  
Facsimile: (866) 597-4002  
Telephone: (727) 567-1922  
Email: [Fax-RJB-Loanops@raymondjames.com](mailto:Fax-RJB-Loanops@raymondjames.com)

**STATE STREET BANK AND TRUST COMPANY**  
***as a Lender***

State Street Financial Center  
One Lincoln Street  
Boston, MA 02111  
Attention: Pallo Blum-Tucker  
Telephone: (617) 664-8358  
Email: [bsyates@statestreet.com](mailto:bsyates@statestreet.com)

**OLD SECOND NATIONAL BANK**

***as a Lender***

333 W. Wacker Drive, Suite 1010

Chicago, IL 60606

Attention: Drew Meyer

Telephone: (312) 912-6016

Email: ameyer@oldsecond.com

**FIFTH THIRD BANK, NATIONAL ASSOCIATION**

***as a Lender***

Asset Securitization Group

38 Fountain Square Plaza

Cincinnati, OH 45202

Attention: Andrew M. Cantillon

Email: andrew.cantillon@53.com

ABF.Reporting@53.com

**Annex B**

<u>Lender</u>	<u>Commitment</u>
Wells Fargo Bank, National Association	\$550,000,000
<a href="#"><u>First-Citizens Bank &amp; Trust Company (successor by merger to CIT Bank, N.A.)</u></a>	\$35,000,000
Raymond James Bank, N.A.	\$40,000,000
State Street Bank and Trust Company	\$45,000,000
Old Second National Bank	\$15,000,000
Fifth Third Bank, National Association	\$45,000,000
<b><u>Total</u></b>	<b><u>\$730,000,000</u></b>

Variable Defined Terms

	<i>Applicable Facility Amount*</i>									
	\$570,000,000	\$595,000,000	\$620,000,000	\$645,000,000	\$670,000,000	\$695,000,000	\$720,000,000	\$745,000,000	\$770,000,000	\$800,000,000
“Applicable Future Funding Limit Amount”	\$23,000,000	\$24,000,000	\$25,000,000	\$26,000,000	\$27,000,000	\$28,000,000	\$28,000,000	\$28,000,000	\$28,000,000	\$28,000,000
“Applicable Top-3 Obligor Amount”	\$53,750,000	\$55,000,000	\$56,250,000	\$57,500,000	\$58,750,000	\$60,000,000	1 Obligor up to \$65,000,000 2 Obligors up to \$60,000,000	1 Obligor up to \$65,000,000 2 Obligors up to \$60,000,000	1 Obligor up to \$65,000,000 2 Obligors up to \$60,000,000	1 Obligor up to \$65,000,000 2 Obligors up to \$60,000,000
“Applicable Next Top-3 Obligor Amount”	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000
“Applicable Other Obligor Amount”	\$42,000,000	\$42,500,000	\$43,000,000	\$44,000,000	\$44,500,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000	\$45,000,000
“Applicable Non-First Lien Loan Obligor Amount”	\$42,000,000	\$42,500,000	\$43,000,000	\$44,000,000	\$44,500,000	\$45,000,000	\$46,000,000	\$47,000,000	\$48,000,000	\$50,000,000



“Applicable Recurring Revenue Loan Amount”	\$57,000,000	\$59,500,000	\$62,000,000	\$64,500,000	\$67,000,000	\$69,500,000	\$72,000,000	\$74,500,000	\$77,000,000	\$80,000,000
<i>Variable Defined Term Amount</i>										

\* If the current Facility Amount is not equal to an amount set forth in the first row, then the applicable Facility Amount shall be the next lowest amount. If the Facility Amount is reduced below \$570,000,000, then the amounts for the defined terms set forth in the first column shall be agreed to in writing (including via email) by the Borrower, the Administrative Agent and the Required Lenders at the time of such reduction.



AMENDMENT NO. 1 TO LOAN AND SECURITY AGREEMENT, (this “Amendment”) dated as of April 28, 2023 (the “Amendment Date”), among NMFC SENIOR LOAN PROGRAM IV LLC, a Delaware limited liability company (the “Borrower”), NEW MOUNTAIN FINANCE CORPORATION, a Delaware corporation (the “Collateral Manager”), NMFC SENIOR LOAN PROGRAM I LLC and NMFC SENIOR LOAN PROGRAM II LLC (each a “Guarantor Subsidiary”, collectively, the “Guarantor Subsidiaries”), WELLS FARGO BANK, NATIONAL ASSOCIATION, as the administrative agent (the “Administrative Agent”) and as a lender (the “Lender”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, as the collateral custodian (the “Collateral Custodian”).

WHEREAS, the Borrower, the Collateral Manager, the Guarantor Subsidiaries, the Administrative Agent, the Lender, the other lenders party from time to time thereto and the Collateral Custodian, are parties to the Loan and Security Agreement, dated as of May 5, 2021 (as amended from time to time prior to the date hereof, the “LSA”), providing, among other things, for the making and the administration of the Advances by the lenders to the Borrower; and

WHEREAS, the Borrower, the Collateral Manager, the Subsidiary Guarantors, the Administrative Agent and the Lender desire to amend the LSA in accordance with Section 12.1 thereof 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:

#### Definitions

##### Defined Terms.

Terms used but not defined herein have the respective meanings given to such terms in the LSA.

#### Amendments

As of the date of this Amendment, the Loan and Security Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold and double-underlined text (indicated textually in the same manner as the following example: **bold and double-underlined text**) as set forth on the pages of the LSA attached as Appendix A hereto.

#### Representations and Warranties

The Borrower and the Collateral Manager hereby represent and warrant to the Administrative Agent and the Lender that, as of the date first written above, (i) no Default or Event of Default has occurred and is continuing and (ii) the representations and warranties of the

---

Borrower and the Collateral Manager contained in the LSA 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).

#### Conditions Precedent

This Amendment shall become effective as of the date first written above so long as the following conditions are satisfied:

- i. the execution and delivery of this Amendment by each party hereto; and
- ii. all reasonable and documented out-of-pocket fees shall have paid to the Administrative Agent, in immediately available funds for its own account, any fees (including reasonable and documented fees, disbursements and other charges of counsel to the Administrative Agent) to be received on the date hereof.

#### Miscellaneous

##### Governing Law.

THIS 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.

##### Severability Clause

In case any provision in this 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.

##### Ratification

Except as expressly amended hereby, the LSA is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Amendment shall form a part of the LSA for all purposes.

##### Counterparts

The parties hereto may sign one or more copies of this Amendment in counterparts, all of which together shall constitute one and the same agreement. Delivery of an executed signature page of this Amendment by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof. This Amendment shall be valid, binding, and enforceable against a party when executed and delivered by an authorized individual on behalf of the party by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including any relevant provisions of the UCC (collectively, "Signature Law"), in each case to

---

the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. For the avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the UCC or other Signature Law due to the character or intended character of the writings.

#### Headings

The headings of the Articles and Sections in this Amendment are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

**SECTION 5.6. Collateral Custodian Direction.** By its execution hereof the Administrative Agent hereby authorizes and directs the Collateral Custodian to execute and deliver this Amendment on the date hereof, acknowledges and agrees that the Collateral Custodian shall be fully protected in relying upon the foregoing consent and direction and hereby releases the Collateral Custodian from any liability in complying with such direction. In executing and delivering this Amendment, the Collateral Custodian shall be afforded all of the rights, privileges, immunities and indemnities afforded to it under the LSA as if such rights, privileges, immunities and indemnities were set forth herein; *provided* that such rights, privileges, immunities and indemnities shall be in addition to, and not in limitation of, any such rights, privileges, immunities and indemnities set forth in this Amendment.

---

above. IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written

**NMFC SENIOR LOAN PROGRAM IV LLC**, as the Borrower

By: /s/ Adam Weinstein  
Name: Adam Weinstein  
Title: Authorized Signatory

**NEW MOUNTAIN FINANCE CORPORATION**, as Collateral Manager

By: /s/ Adam Weinstein  
Name: Adam Weinstein  
Title: Authorized Signatory

**NMFC SENIOR LOAN PROGRAM I LLC**, as a Guarantor Subsidiary

By: /s/ Adam Weinstein  
Name: Adam Weinstein  
Title: Authorized Signatory

**NMFC SENIOR LOAN PROGRAM II LLC**, as a Guarantor Subsidiary

By: /s/ Adam Weinstein  
Name: Adam Weinstein  
Title: Authorized Signatory

---

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, as the Administrative Agent

By: /s/ R. Beale Pope  
Name: R. Beale Pope  
Title: Managing Director

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, as a Lender

By: /s/ R. Beale Pope  
Name: R. Beale Pope  
Title: Managing Director

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, as the Collateral Custodian

By: Computershare Trust Company, N.A., as its attorney-in-fact,

By: /s/ Rupinder S. Suri  
Name: Rupinder S. Suri  
Title: Vice President

---

## APPENDIX A



---

**Up to \$400,000,000**

**LOAN AND SECURITY AGREEMENT**

by and among

**NEW MOUNTAIN FINANCE CORPORATION,**  
(Collateral Manager)

**NMFC SENIOR LOAN PROGRAM IV LLC,**  
(Borrower)

**NMFC SENIOR LOAN PROGRAM I LLC AND NMFC SENIOR LOAN PROGRAM II LLC,**  
(Guarantor Subsidiaries)

**EACH OF THE LENDERS FROM TIME TO TIME PARTY HERETO,**  
(Lenders)

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
(Administrative Agent)

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,**  
(Collateral Custodian)

Dated as of May 5, 2021

---

## TABLE OF CONTENTS

Page

ARTICLE I. DEFINITIONS	2
Section 1.1. Certain Defined Terms.	2
Section 1.2. Other Terms.	<del>44</del> <u>41</u>
Section 1.3. Computation of Time Periods.	<del>44</del> <u>41</u>
Section 1.4. Interpretation.	<del>44</del> <u>42</u>
ARTICLE II. THE FACILITY	<del>45</del> <u>43</u>
Section 2.1. Advances.	<del>45</del> <u>43</u>
Section 2.2. Procedures for Advances by the Lenders.	<del>46</del> <u>44</u>
Section 2.3. Reduction of the Facility Amount; Optional Repayments.	<del>47</del> <u>45</u>
Section 2.4. Determination of Interest and Non-Usage Fee.	<del>48</del> <u>46</u>
Section 2.5. [Reserved].	<del>48</del> <u>46</u>
Section 2.6. Principal Repayments.	<del>48</del> <u>46</u>
Section 2.7. Settlement Procedures.	<del>48</del> <u>46</u>
Section 2.8. Alternate Settlement Procedures.	<del>51</del> <u>49</u>
Section 2.9. Collections and Allocations.	<del>52</del> <u>50</u>
Section 2.10. Payments, Computations, Etc.	<del>53</del> <u>51</u>
Section 2.11. Fees.	<del>54</del> <u>52</u>
Section 2.12. Increased Costs; Capital Adequacy; Illegality.	<del>55</del> <u>53</u>
Section 2.13. Taxes.	<del>56</del> <u>54</u>
Section 2.14. Reinvestments and Discretionary Sales.	<del>60</del> <u>58</u>
ARTICLE III. CONDITIONS TO CLOSING AND ADVANCES	<del>62</del> <u>60</u>
Section 3.1. Conditions to Closing and Initial Advance.	<del>62</del> <u>60</u>
Section 3.2. Conditions Precedent to All Advances.	<del>63</del> <u>61</u>
Section 3.3. Custodianship; Transfer of Loans and Permitted Investments.	<del>65</del> <u>63</u>
ARTICLE IV. REPRESENTATIONS AND WARRANTIES	<del>67</del> <u>65</u>
Section 4.1. Representations and Warranties of the Loan Parties.	<del>67</del> <u>65</u>
Section 4.2. Representations and Warranties of the Loan Parties Relating to the Agreement and the Collateral.	<del>75</del> <u>73</u>
Section 4.3. Representations and Warranties of the Collateral Manager.	<del>76</del> <u>74</u>
Section 4.4. Representations and Warranties of the Collateral Custodian.	<del>79</del> <u>77</u>
ARTICLE V. GENERAL COVENANTS	<del>80</del> <u>78</u>
Section 5.1. Affirmative Covenants of the Loan Parties.	<del>80</del> <u>78</u>

- Section 5.2. Negative Covenants of the Loan Parties. ~~85~~83
- Section 5.3. Affirmative Covenants of the Collateral Manager. ~~88~~86
- Section 5.4. Negative Covenants of the Collateral Manager. ~~91~~89
- Section 5.5. Affirmative Covenants of the Collateral Custodian. ~~92~~90
- Section 5.6. Negative Covenants of the Collateral Custodian. ~~92~~90

ARTICLE VI. COLLATERAL MANAGEMENT ~~93~~91

- Section 6.1. Designation of the Collateral Manager. ~~93~~91
- Section 6.2. Duties of the Collateral Manager. ~~93~~91
- Section 6.3. Authorization of the Collateral Manager. ~~95~~93
- Section 6.4. Collection of Payments; Accounts. ~~95~~93
- Section 6.5. Realization Upon Defaulted or Delinquent Loans. ~~97~~95
- Section 6.6. Collateral Manager Compensation. ~~97~~95
- Section 6.7. Payment of Certain Expenses by Collateral Manager. ~~97~~95
- Section 6.8. Reports. ~~98~~96
- Section 6.9. Annual Statement as to Compliance. ~~98~~96
- Section 6.10. The Collateral Manager Not to Resign. ~~99~~97
- Section 6.11. Collateral Manager Defaults. ~~99~~97

ARTICLE VII. THE COLLATERAL CUSTODIAN ~~99~~97

- Section 7.1. Designation of Collateral Custodian. ~~99~~97
- Section 7.2. Duties of Collateral Custodian. ~~100~~98
- Section 7.3. Merger or Consolidation. ~~102~~100
- Section 7.4. Collateral Custodian Compensation. ~~102~~100
- Section 7.5. Collateral Custodian Removal. ~~102~~100
- Section 7.6. Limitation on Liability. ~~103~~101
- Section 7.7. Resignation of the Collateral Custodian. ~~104~~102
- Section 7.8. Release of Documents. ~~105~~103
- Section 7.9. Return of Underlying Instruments. ~~105~~103
- Section 7.10. Access to Certain Documentation and Information Regarding the Collateral; Audits. ~~106~~104

ARTICLE VIII. SECURITY INTEREST ~~106~~104

- Section 8.1. Grant of Security Interest. ~~106~~104
- Section 8.2. Release of Lien on Collateral. ~~107~~105
- Section 8.3. Further Assurances. ~~108~~106
- Section 8.4. Remedies. ~~108~~106
- Section 8.5. Waiver of Certain Laws. ~~109~~107
- Section 8.6. Power of Attorney. ~~109~~107

ARTICLE IX. EVENTS OF DEFAULT [+H0108](#)

Section 9.1. Events of Default. [+H0108](#)

Section 9.2. Remedies. [+H2110](#)

ARTICLE X. INDEMNIFICATION [+H3111](#)

Section 10.1. Indemnities by the Loan Parties. [+H3111](#)

Section 10.2. Indemnities by the Collateral Manager. [+H6114](#)

Section 10.3. Taxes. [+H6114](#)

ARTICLE XI. THE ADMINISTRATIVE AGENT [+H7115](#)

Section 11.1. Appointment. [+H7115](#)

Section 11.2. Standard of Care; Exculpatory Provisions. [+H7115](#)

Section 11.3. Administrative Agent's Reliance, Etc. [+H8116](#)

Section 11.4. Credit Decision with Respect to the Administrative Agent. [+H9117](#)

Section 11.5. Indemnification of the Administrative Agent. [+H9117](#)

Section 11.6. Successor Administrative Agent. [+20118](#)

Section 11.7. Delegation of Duties. [+20118](#)

Section 11.8. Payments by the Administrative Agent. [+20118](#)

Section 11.9. Collateral Matters. [+21119](#)

Section 11.10. Erroneous Payments. [+21119](#)

ARTICLE XII. MISCELLANEOUS [+24122](#)

Section 12.1. Amendments and Waivers. [+24122](#)

Section 12.2. Notices, Etc. [+24122](#)

Section 12.3. Ratable Payments. [+24122](#)

Section 12.4. No Waiver; Remedies. [+24122](#)

Section 12.5. Binding Effect; Benefit of Agreement. [+25123](#)

Section 12.6. Term of this Agreement. [+25123](#)

Section 12.7. Governing Law. [+25123](#)

Section 12.8. Consent to Jurisdiction; Waiver of Objection to Venue; Waivers. [+25123](#)

Section 12.9. Costs and Expenses. [+26124](#)

Section 12.10. No Proceedings. [+27125](#)

Section 12.11. Recourse Against Certain Parties. [+27125](#)

Section 12.12. Protection of Right, Title and Interest in the Collateral; Further Action Evidencing Advances. [+28126](#)

Section 12.13. Confidentiality. [+29127](#)

Section 12.14. Execution in Counterparts; Severability; Integration. [+30128](#)

Section 12.15. Waiver of Setoff. [+31129](#)

Section 12.16. Status of Lenders; Assignments by the Lenders. ~~+31~~[129](#)

Section 12.17. Heading and Exhibits. ~~+33~~[131](#)

Section 12.18. Intent of the Parties. ~~+33~~[131](#)

Section 12.19. Recognition of the U.S. Special Resolution Regimes. ~~+33~~[131](#)

Section 12.20. Benchmark Replacement Settings ~~+33~~[131](#)

ARTICLE XIII. GUARANTOR SUBSIDIARIES ~~+36~~[132](#)

Section 13.1. Guarantee ~~+36~~[132](#)

## **EXHIBITS**

EXHIBIT A-1	Form of Funding Notice
EXHIBIT A-2	Form of Repayment Notice
EXHIBIT A-3	Form of Reinvestment Notice
EXHIBIT A-4	Form of Borrowing Base Certificate
EXHIBIT A-5	Form of Approval Notice
EXHIBIT B	[Reserved]
EXHIBIT C	Form of Officer's Certificate as to Solvency
EXHIBIT D	Form of Officer's Closing Certificate
EXHIBIT E	Form of Release of Underlying Instruments
EXHIBIT F	Form of Certificate of Assignment
EXHIBIT G	[Reserved]
EXHIBIT H	Form of Joinder Supplement
EXHIBIT I-1	Form of Tax Certificate (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT I-2	Form of Tax Certificate (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT I-3	Form of Tax Certificate (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
EXHIBIT I-4	Form of Tax Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

## **SCHEDULES**

SCHEDULE I	Legal Names
SCHEDULE II	Approved Valuation Firms
SCHEDULE III	Loan List
SCHEDULE IV	Credit and Collection Policy

## **ANNEXES**

ANNEX A	Addresses for Notices
ANNEX B	Commitments

## **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 May 5, 2021, by and among:

- (1) **NEW MOUNTAIN FINANCE CORPORATION**, a Delaware corporation, as the collateral manager (together with its successors and assigns in such capacity, the "Collateral Manager");
- (2) **NMFC SENIOR LOAN PROGRAM IV LLC**, 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) **NMFC SENIOR LOAN PROGRAM I LLC AND NMFC SENIOR LOAN PROGRAM II LLC** (each a "Guarantor Subsidiary", collectively, the "Guarantor Subsidiaries");
- (5) **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as the administrative agent hereunder (together with its successors and assigns in such capacity, the "Administrative Agent"); and
- (6) **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, not in its individual capacity but as the collateral custodian (together with its successors and assigns in such capacity, the "Collateral Custodian").

### **RECITALS**

**WHEREAS**, the Borrower has requested that the Lenders provide Commitments and make Advances (each as defined below) from time to time prior to the Revolving Period End Date (as defined below) to retire existing Indebtedness of the Guarantor Subsidiaries and for the general business purposes of the Borrower, and the Guarantor Subsidiaries have agreed to guarantee the Obligations hereunder;

**WHEREAS**, the Loan Parties have requested that the Collateral Manager act as the collateral manager of the Loan Parties; and

**WHEREAS**, the Lenders are willing to extend such credit to the Borrower and the Collateral Manager is willing to serve in such capacity 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, the Unfunded Exposure Account and any sub-accounts thereof reasonably deemed appropriate or necessary by the Securities Intermediary or 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 and including the Closing Date to but excluding the Determination Date immediately preceding the first Payment Date, and (b) any subsequent Payment Date, the period from and including the Determination Date immediately preceding the previous Payment Date to but excluding the Determination Date immediately preceding the current Payment Date (or, in the case of the final Payment Date, to and including such Payment Date).

“Adjusted Borrowing Value”: For any Eligible Loan, on any date, an amount equal to the Assigned Value for such Eligible Loan on such date *multiplied by* the funded principal balance of such Loan (exclusive of Accreted Interest); *provided that*, the parties hereby agree that the Adjusted Borrowing Value of any Loan that is no longer an Eligible Loan shall be zero.

“Administrative Agent”: Wells Fargo, 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 Loan Parties to any Person pursuant to any Transaction Document, including, but not limited to, any third party service provider to the Loan Parties, any Lender or the Collateral Custodian, any 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(a).

“Advance Date”: With respect to any Advance, the date on which such Advance is made.

“Advance Rate”: On any date of determination, 73.5%.

“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 Unfunded Exposure Amount”: On any date of determination, the sum of the Unfunded Exposure Amounts of all Loans included in the Collateral.

“Agreement”: The meaning specified in the Preamble.

“Anti-Corruption Laws”: (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which the Loan Parties, the Collateral Manager, the Equityholder or any of their respective Subsidiaries is located or doing business.

“Anti-Money Laundering Laws”: Applicable Laws in any jurisdiction in which the Loan Parties, the Collateral Manager, the Equityholder or any of their respective Subsidiaries is located or doing business that relates to money laundering or terrorism financing, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

“Applicable Law”: For any Person or property of such Person, all existing and future laws, rules, regulations (including temporary and final tax regulations), statutes, treaties, codes, ordinances, permits, certificates, licenses and orders of, and interpretations by, any Governmental Authority which are applicable to such Person or property (including, without limitation, predatory lending laws, usury laws, the Dodd-Frank Wall Street Reform and Consumer Protection Act, 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”: For any day (a) unless an Event of Default is continuing, ~~+60~~1.70% and (b) during the continuance of an Event of Default, ~~3.25~~3.35%.

“Approval Notice”: 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.

“Approved Valuation Firm”: Each valuation firm listed on Schedule II hereto, as the same may be updated from time to time by the Borrower with the prior written consent of the Administrative Agent in its sole discretion.

“Assigned Value”: With respect to any Loan as of any date of determination, the lowest of (i) 100%, (ii) the Purchase Price with respect to such Loan, (iii) the value (expressed as a percentage of par) of such Loan as determined by the Administrative Agent with respect to such Loan on the later of (1) the Closing Date and (2) the initial acquisition of such Loan by a Loan Party, (iv) on any date following the occurrence of a Value Adjustment Event with respect to such Loan, the Market Value of such Loan (determined on a daily basis) and (v) if such Loan is a Defaulted Loan, 50% (or, if such Loan has been a Defaulted Loan for more than one year, 0%). On any Business Day, the Borrower may request in writing, with respect to any Loan a reevaluation of such Assigned Value, and upon such request the Administrative Agent may reevaluate the Assigned Value of such Loan in its sole discretion.

“Availability”: At any time, an amount equal to the excess, if any, of (i) the Borrowing Base minus (ii) the Advances Outstanding on such day; *provided that*, at all times on and after the earliest to occur of the Revolving Period End Date, the Revolving Period Termination Date and the Termination Date, the Availability shall be zero.

“Available Funds”: With respect to any Payment Date, all amounts on deposit in the Collection Account (including, without limitation, any Collections) as of the last day of the related Collection Period.

~~“Available Tenor”: As of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Accrual Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Accrual Period” pursuant to Section 12.20(d).~~

“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 0.50% and (b) the Prime Rate in effect on such day.

“BDC”: New Mountain Finance Corporation, a Delaware corporation that has elected to be regulated as a business development company under the 1940 Act.

“Benchmark”: Initially, ~~the LIBOR Rate~~ **Daily Simple SOFR**; ~~provided that if a Benchmark Transition Event, a Term SOFR Transition Event, or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the LIBOR Rate or the then-current Benchmark~~ **Daily Simple SOFR has occurred**, then “Benchmark” means, **with respect to the Obligations, interest, fees, commissions or other amounts payable**, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 12.20.

~~“Benchmark Replacement”: For any Available Tenor,~~

~~(a) with respect to any Benchmark Transition Event or Early Opt-in Election, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:~~

~~(1) the sum of: (A) Term SOFR and (B) the related Benchmark Replacement Adjustment;~~

~~(2) the sum of: (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment;~~

~~(3) “Benchmark Replacement”: means, with respect to any Benchmark Transition Event, the sum of: (Aa) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor, giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current to such Benchmark for Dollar-denominated syndicated credit facilities at such time and (Ab) the related Benchmark Replacement Adjustment; or, if any; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for purposes of this Agreement and the other Transaction Documents.~~

~~(b) with respect to any Term SOFR Transition Event, the sum of (i) Term SOFR and (ii) the related Benchmark Replacement Adjustment;~~

~~provided that, (i) in the case of clause (a)(1), if, after consultation with the other Lenders, the Administrative Agent decides that Term SOFR is not administratively feasible for the Administrative Agent, then Term SOFR will be deemed unable to be determined for purposes of this definition and (ii) in the case of clause (a)(1) or clause (b) of this definition, the applicable Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable~~

discretion. If the Benchmark Replacement as determined pursuant to clause (a)(1), (a)(2) or (a)(3) or clause (b) of this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Transaction Documents.

~~“Benchmark Replacement Adjustment”~~: ~~With respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Accrual Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:~~

~~(1) for purposes of clauses (a)(1) and (a)(2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent in consultation with the Borrower:~~

~~(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Accrual Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement;~~

~~(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Accrual Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Available Tenor of such Benchmark;~~

~~(2) for purposes of clause (a)(3) of the definition of “Benchmark Replacement,”~~ **Adjustment”**: **With respect to any replacement of any then-current Benchmark with an Unadjusted Benchmark Replacement,** the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to **(ia)** any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body ~~on the applicable Benchmark Replacement Date or~~ **(ib)** any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities; ~~and~~ **at such time.**

~~(3) for purposes of clause (b) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Accrual Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Available Tenor of the LIBOR Rate with a SOFR-based rate;~~

~~provided that, (x) in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion and (y) if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement that will replace such Benchmark in accordance with Section 12.20 will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be, with respect to each Unadjusted Benchmark Replacement having a payment period for interest calculated with reference thereto, the~~

Available Tenor that has approximately the same length (disregarding business day adjustments) as such payment period.

~~“Benchmark Replacement Conforming Changes”: With respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Accrual Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent, in consultation with the Borrower, decides is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).~~

~~“Benchmark Replacement Date”: The earliest~~earlier to occur of the following events with respect to the then-current Benchmark:

~~(1)(a) in the case of clause (1a) or (2b) of the definition of “Benchmark Transition Event,” the later of (ai) the date of the public statement or publication of information referenced therein and (bii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or~~

~~(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or~~  
(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any other tenor of such Benchmark (or such component thereof) continues to be provided on such date.

~~(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein;~~

~~(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the Administrative Agent has provided the Term SOFR Notice to the Lenders and the Borrower pursuant to Section 12.20(a)(2)); or~~

~~(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.~~

~~For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination,~~

~~the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).~~

“Benchmark Transition Event”: The occurrence of one or more of the following events with respect to the then-current Benchmark:

~~(1)(a)~~ a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide ~~all Available Tenors of~~ such Benchmark (or such component thereof), permanently or indefinitely; ~~provided~~ that, at the time of such statement or publication, there is no successor administrator that will continue to provide any ~~Available Tenor of~~ such Benchmark (or such component thereof);

~~(2)(b)~~ a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide ~~all Available Tenors of~~ such Benchmark (or such component thereof) permanently or indefinitely; ~~provided~~ that, at the time of such statement or publication, there is no successor administrator that will continue to provide ~~any Available Tenor of~~ such Benchmark (or such component thereof); or

~~(3)(c)~~ a public statement or publication of information by ~~the regulatory supervisor for~~ or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) ~~announcing that all Available Tenors or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) are no longer representative.~~ announcing that such Benchmark (or such component thereof) is not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

~~For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).~~

“Benchmark Transition Start Date” means following the occurrence of a Benchmark Transition Event with respect to a then-current Benchmark, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period”: ~~The~~ with respect to any then-current Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date with respect to such Benchmark pursuant to clauses ~~(1a)~~ or ~~(2b)~~ of that definition has occurred if, at such time, no Benchmark Replacement has replaced ~~the then-current~~ such Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 12.20

and (y) ending at the time that a Benchmark Replacement has replaced ~~the then-current~~such Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 12.20.

“Beneficial Ownership Certification”: A certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially similar in form and substance to the form of Certification Regarding Beneficial Owners of Legal Entity Customers published jointly, in May 2018, by the Loan Syndications and Trading Association and Securities Industry and Financial Markets Association.

“Beneficial Ownership Regulation”: 31 C.F.R. § 1010.230.

“BHC Act Affiliate” means the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Borrower”: The meaning specified in the Preamble.

“Borrower’s Notice”: Any (a) Funding Notice or (b) Reinvestment Notice.

“Borrowing Base”: As of any Measurement Date, an amount equal to the greater of (A) zero and (B) the least of:

(a) an amount equal to (i) the aggregate sum of the products, for each Eligible Loan as of such date, of (A) the Adjusted Borrowing Value for such Eligible Loan on such date and (B) the Advance Rate, plus (ii) the amount on deposit in the Principal Collection Account on such date minus (iii) the Unfunded Exposure Equity Amount on such date plus (iv) the amount on deposit in the Unfunded Exposure Account on such date;

(b) an amount equal to (i) the aggregate Adjusted Borrowing Value for all Eligible Loans on such date, minus (ii) the Required Minimum Equity Amount on such date, plus (iii) the amount on deposit in the Principal Collection Account on such date, minus (iv) the Unfunded Exposure Equity Amount on such date plus (v) the amount on deposit in the Unfunded Exposure Account on such date; and

(c) an amount equal to (i) the Facility Amount as of such date, minus (ii) the Aggregate Unfunded Exposure Amount on such date, plus (iii) the amount on deposit in the Unfunded Exposure Account on such date.

“Borrowing Base Certificate”: A certificate, in the form of Exhibit A-4, setting forth, among other things, the calculation of the Borrowing Base as of 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 Loan Parties of Advances Outstanding or Interest other than on a Payment Date. 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.

“Broadly Syndicated Loan”: A Loan (a) that is not (and cannot by its terms become) subordinate in right of payment to any obligation of the related Obligor in any bankruptcy, reorganization, insolvency, moratorium or liquidation proceedings, (b) 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 applicable credit agreement that are reasonable and customary for similar loans, and liens accorded priority by law in favor of the United States or any state or agency), (c) that, at the time of its issuance, was incurred pursuant to Underlying Instruments governing the issuance of Indebtedness of the related Obligor having

an aggregate principal amount (whether drawn or undrawn) of \$350,000,000 or greater, (d) whose Obligor has EBITDA of at least \$75,000,000 at the time of its issuance for the twelve months immediately prior to the acquisition of such Loan by the Borrower and (e) for which the Collateral Manager 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.

“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 ~~or~~ or 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 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 Loan Parties and Collateral Manager 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 applicable Loan Party 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 Loan Parties or the Collateral Manager, threatened imposition of any Lien on any limited liability company membership interest in any Loan Party;
- (b) any Loan Party LLC Agreement shall fail to be in full force and effect; or
- (c) the failure of (i) the Equityholders and any Affiliates thereof to directly own in the aggregate 100% of the limited liability company membership interests in the Borrower or (ii) following the Closing Date Transfers, the Borrower to directly own in the aggregate 100% of the limited liability company membership interests in each Guarantor Subsidiary (unless such Guarantor Subsidiary has been dissolved pursuant to Section 4.1(t)), in each case without the prior written consent of the Administrative Agent.

“Clearing Agency”: An organization registered as a “clearing agency” pursuant to Section 17A of the Exchange Act.

“Closing Date”: May 5, 2021.

“Closing Date Capital Contributions”: Capital contributions made by the Borrower on the Closing Date to the Guarantor Subsidiaries with the proceeds of the initial Advance, which capital contributions are immediately used by the Guarantor Subsidiaries to repay in full and terminate the Existing Facilities.

“Closing Date Transfers”: Equity assignments, transfers and contributions occurring on or immediately prior to the Closing Date which result in the Equityholders being the sole owners of the limited liability company membership interests in the Borrower and the

Borrower being the sole owners of the limited liability company membership interests in each Guarantor.

“Code”: The Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated or issued thereunder.

“Collateral”: All of each Loan Party’s right, title and interest in, to and under (in each case, whether now owned or existing, or hereafter acquired or arising) all accounts (as defined in the UCC), 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 any of the Loan Parties are party thereto;
- (d) all funds delivered to the Collateral Custodian (directly or through an Intermediary or bailee);
- (e) the equity interests of each Guarantor Subsidiary; 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 Loan Parties described in the preceding clauses.

“Collateral Account”: Collectively, (a) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP IV Collateral Account” in the name of the Borrower and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties, (b) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “ NMFC SLP I Collateral Account” in the name of the NMFC Senior Loan Program I LLC and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties and (c) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “ NMFC SLP II Collateral Account” in the name of the NMFC Senior Loan Program I LLC and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties.

“Collateral Custodian”: Wells Fargo, 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 provided by the Collateral Custodian and acknowledged by the Collateral Manager.

“Collateral Custodian Termination Notice”: The meaning specified in Section 7.5.

“Collateral Manager”: The meaning specified in the Preamble.

“Collateral Manager Default”: The occurrence of any one or more of the following:

- (a) the Collateral Manager in bad faith willfully violates, or takes any action that it knows breaches, any material provision of any Transaction Document applicable to it



(other than a willful and intentional breach that results from a good faith dispute regarding reasonable alternative courses of action or interpretation of instructions);

(b) the Collateral Manager fails to observe or perform in any material respect any covenant or agreement applicable to it in any Transaction Document (it being understood and agreed that the Collateral Manager shall have no responsibility for the creditworthiness of any Eligible Loan) and such failure continues unremedied for a period of 30 days (if such failure can be remedied) after the earlier to occur of (A) a Responsible Officer of the Collateral Manager's actual knowledge of such failure or (B) its receipt of written notice of such failure;

(c) any representation, warranty or certification made by the Collateral Manager 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 on any Lender, the Collateral Custodian or the Administrative Agent and which continues to be unremedied for a period of thirty (30) days after the earlier to occur of (A) a Responsible Officer of the Collateral Manager's actual knowledge of such failure or (B) its receipt of written notice of such failure;

(d) the occurrence of an Event of Default that results primarily from any material breach by the Collateral Manager of its duties under the Transaction Documents and which continues to be unremedied for a period of ten (10) Business Days;

(e) the Collateral Manager fails to maintain at least \$750,000,000 of assets under management;

(f) New Mountain Finance Corporation (or an Affiliate thereof) ceases to be the Collateral Manager unless (x) it is removed pursuant to Section 6.11 or (y) a successor Collateral Manager is appointed in accordance with Section 6.10(b);

(g) an Insolvency Event shall occur with respect to the Collateral Manager;

(h) (A) the occurrence of an act by the Collateral Manager that constitutes fraud or criminal activity in the performance of its obligations under the Transaction Documents (as determined pursuant to a final adjudication by a court of competent jurisdiction), (B) the Collateral Manager being convicted (after all appeals and the expiration of time to appeal) of a criminal offense materially related to its business of providing asset management services or (C) any responsible officer of the Collateral Manager primarily responsible for the performance by the Collateral Manager of its obligations under the Transaction Documents (in the performance of his or her investment management duties) is convicted (after all appeals and the expiration of time to appeal) of a criminal offense materially related to the business of the Collateral Manager providing asset management services and continues to have responsibility for the performance by the Collateral Manager under the Transaction Documents for a period of 30 days after the final such appeal;

(i) any failure by the Collateral Manager 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;

(j) the failure of the Collateral Manager 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 \$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;

(k) any failure by the Collateral Manager 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; and

(l) the rendering against the Collateral Manager of one or more final judgments, decrees or orders for the payment of money in excess of \$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.

“Collateral Manager Termination Notice”: The meaning specified in Section 6.11

“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 immediately preceding the first Payment Date; and thereafter, the period from but excluding the Determination Date immediately preceding the previous Payment Date to and including the Determination Date immediately preceding the current Payment Date (or, in the case of the final Payment Date, to and including such Payment Date).

“Collections”: (a) All cash collections and other cash proceeds of any Loan, including, without limitation or duplication, any Interest Collections, Principal Collections 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 equal to (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 Lender’s “Commitment” on Schedule I to the Joinder Supplement relating to such Lender, as such amounts may be reduced, increased or assigned from time to time pursuant to the terms of this Agreement, 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.

“Commitment Reduction Percentage”: (a) On or prior to the one-year anniversary of the Closing Date, a percentage equal to 2.0%, (b) after the one-year anniversary of the Closing Date and on or prior to the two-year anniversary of the Closing Date, a percentage equal to the product of (i) the number of days remaining until the two-year anniversary of the Closing Date divided by 365 and (ii) 1.0%, and (c) after the two-year anniversary of the Closing Date, zero.

“Connection Income Taxes”: Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Conforming Changes” means with respect to the use or administration of Daily Simple SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Accrual Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.12 and other technical, administrative or operational matters) that the Administrative Agent decides (in consultation with the Borrower) may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the

Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides (in consultation with the Borrower) is reasonably necessary in connection with the administration of this Agreement and the other Transaction Documents).

“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.

“Control”: the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

“Corporate Trust Office”: The designated corporate trust office of the Collateral Custodian specified on Annex A 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 all Commitments have been terminated and the Obligations have been paid in full (other than contingent indemnification and reimbursement obligations for which no claim giving rise thereto has been asserted).

~~“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.~~

“Covered Party” means any Secured Party that is one of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §47.3(b), or any subsidiary of such a covered bank to which 12 C.F.R. Part 47 applies in accordance with 12 C.F.R. §47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. §382.2(b).

“Credit and Collection Policy”: The written credit policies and procedures manual of the Collateral Manager 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).

~~“Daily Simple SOFR”: For any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion. (a “SOFR Rate Day”), a rate per annum equal to the greater of (a) SOFR for the day (such day, a “SOFR Determination Day”) that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website, and (b) the Floor. If by 5:00 p.m. on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark~~

Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator's Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. Daily Simple SOFR in no event shall be less than the Floor.

“Default”: Any event that, with the giving of notice or the lapse of time, or both, would become an Event of Default.

“Default Right” means the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulted Loan”: Any Loan with respect to which:

- (a) a payment default under such Loan (after giving effect to any applicable grace or cure periods in accordance with the Underlying Instruments, but in any case not to exceed five (5) Business Days) has occurred and is continuing;
- (b) a default as to the payment of principal and/or interest has occurred and is continuing on another debt obligation of the same Obligor which is senior or *pari passu* in right of payment to such Loan, without regard to any grace period applicable thereto, or waiver or forbearance thereof; *provided* that, both debt obligations are full recourse obligations;
- (c) an Insolvency Event has occurred and is continuing with respect to the related Obligor;
- (d) such Loan has (i) a rating (as published by S&P) of “CC” or below, (ii) a rating (as published by S&P) of “SD” or (iii) a rating (as published by Moody’s) of “D” or “LD” or, in each case, had such ratings before they were withdrawn by S&P or Moody’s, as applicable;
- (e) such Loan is *pari passu* in right of payment as to the payment of principal and/or interest to another outstanding debt obligation of the same Obligor (*provided* that both the Loan and such other debt obligation are full recourse obligations of the Obligor) that has (i) a rating (as published by S&P) of “CC” or below, (ii) a rating (as published by S&P) of “SD” or (iii) a rating (as published by Moody’s) of “D” or “LD,” or, in each case, had such ratings before they were withdrawn by S&P or Moody’s unless such Obligor is not currently in reorganization or bankruptcy;
- (f) a default under such Loan has occurred, 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, any Loan Party) to enforce any of their respective rights or remedies (including, without limitation, acceleration of the Loan) pursuant to the applicable Underlying Instruments, and such election has not been discontinued or waived; or
- (g) the Collateral Manager has, in its reasonable commercial judgment, otherwise declared such debt obligation to be a “Defaulted Loan”.

“Delayed Draw Loan”: A Loan that requires one or more future advances to be made by a Loan Party and which does not permit the re-borrowing of any amount previously repaid by the related Obligor; *provided* that, such Loan shall only be considered a Delayed Draw Loan for so long as any future funding obligations remain in effect and only with respect to any portion which constitutes a future funding obligation.

“**Determination Date**”: The last day of each calendar month; *provided* that, with respect to the Termination Date, the Determination Date shall be the Termination 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 (iii) 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 2.14(b).

“**Discretionary Sale Date**”: With respect to any Discretionary Sale, the Business Day on which such Discretionary Sale occurs.

**“Disruption Event” means the occurrence of any of the following: (a) any Lender shall have notified the Administrative Agent, the Collateral Manager and the Borrower 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 Dollars to fund any Advance, (b) any Lender shall have notified the Administrative Agent, the Collateral Manager and the Borrower of a determination by such Lender that the rate at which Dollars are being offered to such Lender 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, the Collateral Manager and the Borrower of the inability of such Lender, as applicable, to obtain Dollars to make, fund or maintain any Advance; provided that if the circumstances described above have arisen and such circumstances are unlikely to be temporary then no Disruption Event shall have been deemed to occur and a Benchmark Transition Event shall have occurred.**

“**Distressed Loan**”: Any Loan (a) incurred pursuant to Underlying Instruments governing the issuance of Indebtedness of the related Obligor having an aggregate principal amount (whether drawn or undrawn) of less than \$350,000,000 at the time of issuance, (b) with respect to which the EBITDA of the related Obligor set forth on the most recently delivered financial statements is less than \$75,000,000 and (c) either (i) for which bid side prices cannot be obtained from at least two Independent broker-dealers or (ii) for which the average bid-side prices obtain from Independent broker-dealers is less than 80% (expressed as a percentage of par) or (d) that has a S&P rating of “CCC+” or lower or a Moody’s rating of “Caa1” or lower.

“**Dollars**”: Means, and the conventional “\$” signifies, the lawful currency of the United States.

~~“**Early Opt-in Election**”: If the then-current Benchmark is the LIBOR Rate, the occurrence of:~~

- ~~(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and~~
- ~~(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from the LIBOR Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.~~

“**EBITDA**”: With respect to the Relevant Test Period with respect to the related Loan, the meaning of “EBITDA”, “Adjusted EBITDA” or any comparable definition in the related Underlying Instruments, 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 or subsidiary 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 Relevant Test 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 applicable Loan Party 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”, the Collateral Custodian will receive) the related Required Loan Documents; (B) that is an SLF Acquired Loan or has been approved by the Administrative Agent in its sole discretion on or prior to the date of the related Transaction; and (C) that satisfies each of the following eligibility requirements (unless either (x) such Loan is an SLF Acquired Loan that was failing any such criteria as of the Closing Date or (y) the Administrative Agent in its sole discretion agrees to waive any such eligibility requirement with respect to such Loan):

- (a) such Loan is a Broadly Syndicated Loan or a Small Broadly Syndicated 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;
- (c) the acquisition of such Loan will not cause the applicable Loan Party or the pool of Collateral to be required to register as an investment company under the 1940 Act;
- (d) such Loan does not constitute a DIP Loan;
- (e) the primary Underlying Asset for such Loan is not real property;
- (f) such Loan is in the form of and is treated as indebtedness of the related Obligor for United States federal income tax purposes and is not a United States real property interest as defined under Section 897 of the Code;
- (g) such Loan is not a Defaulted Loan;
- (h) such Loan and any Underlying Assets comply in all material respects with all Applicable Laws;
- (i) 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 applicable Loan Party and to have a security interest therein granted to the Administrative Agent, as agent for the Secured Parties;
- (j) such Loan, together with the Underlying Instruments related thereto, (i) is 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 Loan Parties or any assignee thereof;

(k) such Loan (i) was purchased and re-underwritten by the Loan Parties in accordance with the Credit and Collection Policy and (ii) is fully documented;

(l) (i) the applicable Loan Party has good and marketable title to, and is the sole owner of, such Loan, and (ii) the applicable Loan Party 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;

(m) 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;

(n) all 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;

(o) as of the date such Loan becomes part of the Collateral, such Loan and the Underlying Instruments related thereto, are eligible to be sold, assigned or transferred to the applicable Loan Party, and neither the sale, transfer or assignment of such Loan to the applicable Loan Party, 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 applicable Loan Party;

(p) 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;

(q) such Loan has an original term to stated maturity that does not exceed eight (8) years;

(r) 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;

(s) such Loan requires (i) periodic payments of accrued and unpaid interest in cash (x) in a minimum amount of (A) if such Loan has a floating interest rate based on ~~LIBOR~~the Benchmark, such ~~LIBOR~~Benchmark rate plus 2% per annum, (B) if such Loan has a floating interest rate based on the Prime Rate, the Prime Rate or (C) if such Loan has a fixed interest rate, 6% per annum and (y) on a current basis no less frequently than quarterly and (ii) a fixed amount of principal payable in cash no later than its stated maturity;

(t) the Obligor with respect to such Loan is an Eligible Obligor and the acquisition of such Loan would not cause the sum of the Adjusted Borrowing Values of all Eligible Loans made to Obligors organized or incorporated outside of the United States (or any State thereof) to exceed the greater of (i) 10% of the Adjusted Borrowing Values of all Eligible Loans as of such date and (ii) \$20,000,000;

- (u) the acquisition of such Loan would not cause the sum of the Adjusted Borrowing Values of all Eligible Loans that are fixed rate loans to exceed the greater of (i) 10% of the Adjusted Borrowing Values of all Eligible Loans as of such date and (ii) \$20,000,000;
- (v) if such Loan is a registration-required obligation within the meaning of Section 163(f)(2) of the Code, such Loan is Registered;
- (w) such Loan is not a participation interest;
- (x) all information provided by the applicable Loan Party or the Collateral Manager with respect to the Loan is true, correct and complete in all material respects as of the date such information is provided;
- (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) unless such Loan is a Delayed Draw Loan, such Loan does not require the applicable Loan Party to make advances in respect of such Loan at any time after the applicable Loan Party's purchase of such Loan; *provided* that, if such Loan is a Delayed Draw Loan, the acquisition of such Loan would not cause the Aggregate Unfunded Exposure Amount to exceed the greater of (i) 10% of the Adjusted Borrowing Values of all Eligible Loans as of such date and (ii) \$20,000,000;
- (ab) the acquisition of such Loan would not cause the sum of the Outstanding Balances of all Small Broadly Syndicated Loans (excluding any SLF Acquired Loan) to exceed 15% of the Outstanding Balances of all Eligible Loans; and
- (ac) such Loan satisfies such other eligibility criteria as may be mutually agreed upon by the Administrative Agent and the applicable Loan Party 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 to be approved by the Administrative Agent.

"Eligible Obligor": 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, as of the date the related Loan becomes part of the Collateral, is not an Affiliate of any Loan Party, any Equityholder or the Collateral Manager;
- (d) that is organized or incorporated in (i) the United States (or any State thereof), (ii) Canada (or any Province thereof) or (iii) if approved in writing by the Administrative Agent in its sole discretion, any other country;
- (e) 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 applicable Loan Party's knowledge after completion of customary due diligence, experienced a material adverse change in its financial condition; and
- (f) where the sum of the Adjusted Borrowing Values of all Eligible Loans made to such Obligor (including any Affiliate thereof) does not exceed \$10,000,000 unless the related Loan is an SLF Acquired Loan; *provided* that, the sum of the Adjusted Borrowing Values of all Eligible Loans made to up to ten (10) Obligors (including



Obligors with respect to SLF Acquired Loans) may be up to \$15,000,000 for each such Obligor; and

(g) other than with respect to any SLF Acquired Loans that, as of the date the related Loan becomes part of the Collateral, has public facility ratings of at least (i) “B3” from Moody’s and (ii) “B-” from S&P.

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 Outstanding Balances of all of Corporation A’s Eligible Loans included as part of the Collateral constitutes 10% of the Outstanding Balances of all Eligible Loans and the sum of the Outstanding Balances of all of Corporation B’s Eligible Loans included as part of the Collateral constitutes 10% of the Outstanding Balances of all Eligible Loans, the combined Obligor concentration for Corporation A and Corporation B would be 20%.

“Equityholders”: SkyKnight Income Alpha, LLC and the BDC.

“Equity Security”: (i) Any equity security or any other security that is not eligible for purchase by a Loan Party as a Loan and (ii) any security purchased as part of a “unit” with a Loan and that itself is not eligible for purchase by such Loan Party as a Loan.

“Erroneous Payment”: The meaning specified in Section 11.10(a).

“Erroneous Payment Deficiency Assignment”: The meaning specified in Section 11.10(d).

“Erroneous Payment Return Deficiency”: The meaning specified in Section 11.10(d).

“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 any Loan Party, (b) a trade or business (whether or not incorporated) under common control (within the meaning of Section 414(c) of the Code) with any Loan Party, or (c) a member of the same affiliated service group (within the meaning of Section 414(m) of the Code) as any Loan Party.

~~“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 a Loan Party of any Tax, fee or other charge imposed by any Governmental Authority on such Loan or on any Underlying Assets.

“Excluded Taxes”: Any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Advance or a Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Advance or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.13, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.13(g) and (d) any withholding Taxes imposed under FATCA.

“Existing Facilities”: (i) The revolving credit facility evidenced by the Loan and Security Agreement, dated as of June 17, 2014, as amended from time to time prior to the date hereof, by and among New Mountain Finance Corporation, as collateral manager, NMFC Senior Loan Program I LLC, as borrower, the lenders party thereto, Wells Fargo, as administrative agent, and Wells Fargo, as collateral custodian, and (ii) the revolving credit facility evidenced by the Loan and Security Agreement, dated as of April 12, 2016, as amended from time to time prior to the date hereof, by and among New Mountain Finance Corporation, as collateral manager, NMFC Senior Loan Program II LLC, as borrower, the lenders party thereto, Wells Fargo, as administrative agent, and Wells Fargo, as collateral custodian.

“Exposure Amount Shortfall”: The meaning specified in Section 2.2(e).

“Facility Amount”: \$370,000,000, as such amount may be increased to \$400,000,000 upon the request of the Borrower with the consent of the Administrative Agent and each Lender in their respective sole discretion, as such amount may vary from time to time pursuant to Sections 2.1(c) and 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”: The two-year anniversary of the Revolving Period End Date.

“FATCA”: Sections 1471 through 1474 of the Code, as in effect on the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“FDIC”: The Federal Deposit Insurance Corporation, and any successor thereto.

“Federal Funds Rate”: For any day, a *per annum* rate equal 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 for such day (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. on such day.

“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.

“Fitch”: Fitch Ratings, Inc. or any successor thereto.

“Floor”: ~~The benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the LIBOR Rate.~~ A rate of interest equal to 0.0%.

“Foreign Lender”: A Lender that is not a U.S. Person.

“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.

“General Intangible”: The meaning specified in Section 9-102(a)(42) of the UCC.

“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.

“Guaranteed Amounts”: The meaning specified in Section 13.1(a).

“Guarantor Subsidiaries”: The meaning specified in the Preamble.

“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 that an Affected Party has notified the Borrower pursuant to Section 2.12(d) are required to be paid by any Loan Party 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).

“Indemnified Taxes”: (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Transaction Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Independent”: As to any Person, any other Person (including, in the case of an accountant or lawyer, a firm of accountants or lawyers, and any member thereof, or an investment bank and any member thereof) who (a) does not have and is not committed to acquire any material direct or any material indirect financial interest in such Person or in any Affiliate of such Person (other than the payment of any amounts as compensation for actual services rendered), and (b) is not connected with such Person as an officer, employee, promoter, underwriter, voting trustee, partner, director or Person performing similar functions. “Independent” when used with respect to any accountant may include an accountant who audits the books of such Person if in addition to satisfying the criteria set forth above the accountant is independent with respect to such Person within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants.

“Independent Manager”: The meaning specified in Section 4.1(t)(xxv).

“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, the sum of the amounts determined (with respect to each day during such Accrual Period) in accordance with the following formula:

$$IR \times P \times \frac{1}{D}$$

where:

IR = the Interest Rate for such day;  
P = the Advances Outstanding on such day; and  
D = 360 days (or, to the extent the Interest Rate for such day is determined pursuant to the proviso of the definition thereof, 365 or 366 days, as applicable).

*provided* 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 and (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.

“Interest Collections”: All payments of interest, late fees, amendment fees, prepayment fees and waiver fees 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 Loan Parties 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 a 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”: Collectively, (a) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP IV Interest Collection Account” in the name of the Borrower and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties, (b) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP I Interest Collection Account” in the name of the NMFC Senior Loan Program I LLC and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties and (c) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP II Interest Collection Account” in the name of the NMFC Senior Loan Program II LLC and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties.

“Interest Rate”: With respect to any day, a rate per annum equal to (a) the ~~LIBOR Rate~~ Benchmark (or following a Benchmark Transition Start Date, the applicable Benchmark Replacement) for such day plus (b) the Applicable Spread for such day; *provided* that, for any day after the occurrence and during the continuance of a ~~Eurodollar~~-Disruption Event, the “Interest Rate” on that portion of the Advances Outstanding owing to the affected Lender shall mean a rate per annum equal to (x) the Base Rate for such day plus (y) the Applicable Spread for such day.

“Intermediary”: 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 Loan Parties or the Collateral Manager.

“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 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.

“IRS”: The United States Internal Revenue Service.

“ISDA Definitions”: The 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“Joinder Supplement”: An agreement among the Borrower, a Lender and the Administrative Agent in the form of Exhibit H 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(b).

“Lenders”: The meaning specified in the Preamble, including 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(b).

“LIBOR Rate”: For any day, the greater of (x) zero and (y) (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 Wells Fargo 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.

“Loan”: Any loan made by a commercial bank, an investment bank, investment fund or other financial institution and acquired by any of the Loan Parties; *provided* that, any such loan is similar to those typically made to a commercial client or syndicated, sold or participated to a commercial bank or institutional loan investor or other financial institution in the ordinary course of business.

“Loan File”: For each Loan, the following documents or instruments:

- (a) copies of each of the Required Loan Documents;
- (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 Manager 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 Loan Parties 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.

“Loan Parties”: Collectively, the Borrower and the Guarantor Subsidiaries.

“Loan Party LLC Agreement”: (a) With respect to the Borrower, the first amended and restated limited liability company agreement of the Borrower, dated as of May 5, 2021, (b) with respect to NMFC Senior Loan Program I LLC, the first amended and restated limited liability company agreement of NMFC Senior Loan Program I LLC, dated as of December 11, 2020, as amended by amendment no. 1 thereto, dated as of May 5, 2021 and (c) with respect to NMFC Senior Loan Program II LLC, the limited liability company agreement of NMFC Senior Loan Program II LLC, dated as of March 9, 2016, as amended by amendment no. 1 thereto, dated as of May 5, 2021, in each case as the same may be amended, restated, modified or supplemented from time to time.

“Majority Equityholder”: The Equityholder, if any, that holds more than 50% of the issued and outstanding limited liability company interests of the Borrower.

“Margin Stock”: “Margin Stock” as defined under Regulation U.

“Market Value”: With respect to any Loan as of any date of determination, the price (expressed as a percentage of par) as of the immediately preceding Measurement Date (or, if such date is a Measurement Date, as of such date) determined in the following:

(a) by using the bid-side quote determined by any of Loan Pricing Corporation, MarkIt Partners or any other nationally recognized loan pricing service or broker quote selected by the Collateral Manager and approved in writing by the Administrative Agent; *provided* that, if such Loan is a Distressed Loan or if the Administrative Agent reasonably determines that any such quote is not current or accurate, the Lender may reject such quote; or

(b) if the value of a Loan is not determined in accordance with clause (a) above (either because no bid-side quote is available or the Administrative Agent reasonably rejects one or more loan pricing services or reasonably rejects any such quote) and the Loan is not a Distressed Loan, by using the average of the bid-side quotes determined by three Independent broker dealers active in the trading of such asset; or

(i) if only two such bids can be obtained, the average of the bid-side quotes of such two bids; or

(ii) if only one bid can be obtained, such bid;

*provided* that, if the Administrative Agent reasonably determines that the quote of any such Independent broker dealer is not current or accurate, the Administrative Agent may reject such quote; or

(c) if the value of a Loan is not determined in accordance with clause (a) or (b) above (either because no bid-side quote is available or the Administrative Agent reasonably rejects one or more bid-side quotes), or if such Loan is a Distressed Loan, by using the value assigned by the Administrative Agent in a notice thereof sent to the Collateral Manager, each Equityholder and the Collateral Custodian; *provided* that, on any Business Day, the Borrower may request in writing, with respect to any Loan a reevaluation of such Market Value, and upon such request the Administrative Agent may reevaluate the Market Value of such Loan in its sole discretion.

“Material Action”: The meaning specified in the applicable Loan Party LLC Agreement.

“Material Adverse Effect”: With respect to any event or circumstance, a material adverse effect on (a) the business, assets, financial condition, operations, performance or properties of a Loan Party, (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 Loan Parties or the Collateral Manager 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 applicable Loan Party acquired such Loan that:

(a) (i) reduces, delays or waives any or all of the principal amount of such Loan as and when due or (ii) extends or delays (A) the stated maturity date of such Loan or (B) the required or scheduled amortization for such Loan (including any scheduled or required excess cash flow sweeps), and such delay or extension or delay has not been approved by the Lender in its sole discretion;

(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 (other than any such waiver that occurs without any further action in accordance with the terms of the applicable Underlying Instrument);

(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;

(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 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 (including any adjustment to EBITDA or any similar definition), in the sole discretion of the Administrative Agent, is materially adverse to the Administrative Agent or any Lender; *provided* that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Administrative Agent may waive any Material Modification resulting from such implementation pursuant to this clause (e).

“Measurement Date”: Each of the following: (i) the Closing Date; (ii) each date on which a Value Adjustment Event occurs; (iii) each Determination Date; (iv) the date of each Transaction and (v) the date of each Discretionary Sale.

“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 Loan Parties 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 applicable Loan Party and Collateral Manager in good faith using information from and calculations consistent with the relevant compliance statements and financial reporting packages provided by the relevant Obligor in accordance with the requirements of the related Underlying Instruments.

“Non-Usage Fee”: A fee with respect to each Accrual Period in an amount equal to the sum for each day during such Accrual Period of (x) the product of (a) the Unused Facility Amount as of the close of business on such day multiplied by (b) the Non-Usage Fee Rate with respect to such day, divided by (y) 365.

“Non-Usage Fee Rate”: For each day (a) prior to the three-month anniversary of the Closing Date, 0.00%, and (b) thereafter, (i) 0.50% on the first \$40,000,000 of the Unused Facility Amount and (ii) 1.25% on the portion of the Unused Facility Amount in excess of \$40,000,000.

“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 Loan Parties, 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 Loan Parties 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 Loan Parties 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.

“Officer’s Certificate”: A certificate signed by a Responsible Officer of the Person providing the applicable certification, as the case may be.

“Operating Lease Implementation”: The implementation by an Obligor of IFRS 16/ASC 842.

“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 later of (a) the date of the related Approval Notice and (b) the date of the most recent Value Adjustment Event with respect to such Loan.

“Original Net Senior Leverage Ratio”: With respect to any Loan, the Net Senior Leverage Ratio for such Loan on the later of (a) the date of the related Approval Notice and (b) the date of the most recent Value Adjustment Event with respect to such Loan.

“Other Connection Taxes”: With respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Advance or Transaction Document).

“Other Taxes”: All present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Transaction Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“Outstanding Balance” With respect to any Loan as of any date of determination, the outstanding principal balance of any advances or loans made by the Loan Parties to the related Obligor pursuant to the related Underlying Instruments as of such date of determination (exclusive of any interest and Accreted Interest).

“Participant Register”: The meaning specified in Section 12.16(b).

“Payment Date”: (a) Subject to the following clause (b), the fifteenth (15<sup>th</sup>) calendar day of each January, April, July and October, or, if such day is not a Business Day, the next succeeding Business Day, commencing in July 2021, or (b) with respect to payments to be made pursuant to Section 2.8, the fifteenth (15<sup>th</sup>) day of each calendar month, or, if such day is not a Business Day, the next succeeding Business Day.

“Payment Duties”: The meaning specified in Section 7.2(b)(iv).

“Payment Recipient”: The meaning specified in Section 11.10(a).

“Pension Plans”: The meaning specified in Section 4.1(w).

“Permitted Capital Contributions”: Capital contributions by the Borrower to any Guarantor Subsidiaries with proceeds that are available to the Borrower for either paying expenses or making distributions, which are used by such Guarantor Subsidiaries to pay any expenses or liabilities of such Guarantor Subsidiaries.

“Permitted Investments”: Negotiable instruments or securities or other investments (which may include obligations, deposits, instruments, investments and securities of or with the Collateral Custodian or any Affiliate of the Collateral Custodian, or of or with issuers for which the Collateral Custodian or an Affiliate of the Collateral Custodian provides services or receives compensation) (i) that, except in the case of time deposits and investments in money market funds, are represented by instruments in 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) that, as of any date of determination, mature by their terms on or prior to the Business Day preceding the next Payment Date, (iii) that have payments thereon to the Loan Parties that are 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 and (iv) that 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 applicable Loan Party'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 any Rating Agency in the Highest Required Investment Category granted by such Rating Agency;

(c) commercial paper, or other short-term obligations, having, at the time of the applicable Loan Party's investment or contractual commitment to invest therein, a rating in the Highest Required Investment Category granted by any Rating Agency;

(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+"; or

(e) time deposits (having maturities of not more than 90 days) by an entity the commercial paper of which has, at the time of the applicable Loan Party's investment or contractual commitment to invest therein, a rating of the Highest Required Investment Category granted by each of Moody's, S&P and Fitch (if rated by Fitch);

*provided* that, notwithstanding the foregoing clauses (a) through (e), unless the Loan Parties and the Collateral Manager have received the written advice of counsel of national reputation experienced in such matters to the contrary (together with an Officer's Certificate of the Loan Parties or the Collateral Manager to the Collateral Custodian (on which the Collateral Custodian may rely) that the advice specified in this definition has been received by the Loan Parties and the Collateral Manager), on and after the date required for conformance with the Volcker Rule (or such later date as may be determined by the Loan Parties and the Collateral Manager based upon such advice), Permitted Investments may only include obligations or securities that constitute cash equivalents for purposes of the rights and assets in paragraph (c)(8)(i)(B) of the exclusions from the definition of "covered fund" for purposes of the Volcker Rule. The Collateral Custodian shall have no obligation to oversee or monitor compliance with the foregoing.

"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 bank's, securities intermediary's, 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, company, limited liability company, limited liability partnership, joint stock company, trust (including a statutory or business trust), estate, unincorporated association, sole proprietorship, joint venture, nonprofit corporation, group, sector, government (or any agency, instrumentality or political subdivision thereof), territory or other entity or organization.

"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 Loan Parties or the Collateral Custodian in respect of the Loans, Permitted Investments and Equity Securities that are not Interest Collections to the extent received in cash by or on behalf of the Loan Parties or the Collateral Custodian.

“Principal Collection Account”: Collectively, (a) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP IV Principal Collection Account” in the name of the Borrower and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties, (b) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP I Principal Collection Account” in the name of the NMFC Senior Loan Program I LLC and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties and (c) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP II Principal Collection Account” in the name of the NMFC Senior Loan Program II LLC and subject to the 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 amount of the Commitment of (or, after the Revolving Period End Date, the Advances Outstanding owing to) such Lender (as determined pursuant to the definition of Commitment) by the Facility Amount.

“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.

“Property”: Any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

“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 applicable Loan Party 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); *provided* that, if the ratio of clause (i) to clause (ii) above with respect to a Loan acquired by a Loan Party in the secondary market is equal to 97% or higher, such Loan shall be deemed to have a Purchase Price of 100%.

“QFC”: The meaning assigned to the term “qualified financial contract” in, and interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“Qualified Institution”: A depository institution or trust company organized under the laws of the United States 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.

“Recipient”: (a) The Administrative Agent, and (b) any Lender, as applicable.

~~“Reference Time”: With respect to any setting of the then-current Benchmark means (1) if such Benchmark is the LIBOR Rate, 11:00 a.m. (London time) on the day that is two (2) London banking days preceding the date of such setting, and (2) if such Benchmark is not the LIBOR Rate, the time determined by the Administrative Agent in its reasonable discretion.~~

“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 United States Treasury Regulations.

“Regulation U”: Regulation U of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 221, or any successor regulation.

“Reinvestment”: The meaning specified in Section 2.14(a).

“Reinvestment Notice”: Each notice required to be delivered by the Borrower pursuant to Section 3.2(a) in respect of any Reinvestment under Section 2.14(a), in the form of Exhibit A-3.

“Related Parties”: With respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and such Person’s Affiliates.

“Relevant Governmental Body”: The Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

“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 pursuant to Section 2.3 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(w).

“Reporting Date”: The date that is the second Business Day prior to the fifteenth (15<sup>th</sup>) calendar day of each calendar month, with the first Reporting Date occurring in June 2021.

“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 Borrowing Base on such day and (b) zero.

“Required Lenders”: The Lenders representing an aggregate of more than 50% of (a) prior to the earlier to occur of the Revolving Period End Date or the Termination Date, the aggregate Commitments of the Lenders then in effect and (b) thereafter, the outstanding Advances; *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) (1) a copy of each related executed promissory note (if any) 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 applicable Loan Party in blank (and an unbroken chain of endorsements from each prior holder of such promissory note to the applicable Loan Party), or (2) if such promissory note is not issued in the name of such Loan Party, 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 third party owner thereof directly to such Loan Party and from such Loan Party 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”: On any day, the greater of (x) \$50,000,000 and (y) the Adjusted Borrowing Values of the Eligible Loans of the five (5) largest Obligor forming part of the Collateral.

“Required Reports”: Collectively, the Borrowing Base Certificate, financial statements of Obligor and the Majority Equityholder 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, administrative manager or managing member 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, administrative manager or managing member 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 Loan Parties 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 Loan Parties; (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 Loan Parties 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 Loan Parties now or hereafter outstanding.

“Revenue Recognition Implementation”: The implementation by an Obligor of IFRS 15/ASC 606.

“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) the three-year anniversary of the Closing Date 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).

“RIC”: A Person that qualifies as a “regulated investment company” within the meaning of Section 851(a) and Section 851(b) of the Code and that is taxable under Section 852(b) of the Code by reason of having satisfied the conditions contained in Section 852(a) of the Code.

“S&P”: Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, 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 Loan Parties, the Collateral Manager and the Collateral Custodian incurred in connection with any such sale.

“Sanction” or “Sanctions”: Individually and collectively, respectively, any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti-terrorism laws including but not limited to those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order; (b) the United Nations Security Council; (c) the European Union; (d) the United Kingdom; or (e) any other Governmental Authorities with jurisdiction over any Loan Party, the Collateral Manager, any Equityholder or any of their respective Subsidiaries.

“Sanctioned Person”: Any Person that is a target of Sanctions, including without limitation, a Person that is: (a) listed on OFAC’s Specially Designated Nationals (SDN) and Blocked Persons List; (b) listed on OFAC’s Consolidated Non-SDN List; (c) a legal entity that is deemed by OFAC to be a Sanctions target based on the direct or indirect ownership or control of such legal entity by Sanctioned Person(s); or (d) a Person that is a Sanctions target pursuant to any territorial or country-based Sanctions program.

“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”: (a) The 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, (b) the Account Control Agreement, dated as of the date hereof, among NMFC Senior Loan Program I, LLC, 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 and (c) the Account Control Agreement, dated as of the date hereof, among the NMFC Senior Loan Program II LLC, 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”: 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.

“Senior Collateral Management Fee”: With respect to any Payment Date, an amount equal to (i) the product of (a) the sum of (x) the Outstanding Balances of all Eligible Loans as of the immediately preceding Determination Date and (y) the Outstanding Balances of all Eligible Loans as of the Determination Date immediately preceding the prior Payment Date (or in the case of the initial Payment Date, the Outstanding Balances of all Eligible Loans as of Determination Date immediately preceding such Payment Date) and (b) 0.50 multiplied by (ii) a *per annum* rate equal to 0.20%.

“SLF Acquired Loan”: A Loan owned by either NMFC Senior Loan Program I LLC or NMFC Senior Loan Program II LLC as of the Closing Date.

“Small Broadly Syndicated Loan”: Any Loan (a) that meets the definition of Broadly Syndicated Loan with the exception of clauses (c) and (d) of such definition, (b) that, at the time of its issuance, was incurred pursuant to Underlying Instruments governing the issuance of Indebtedness of the related Obligor having an aggregate principal amount (whether drawn or undrawn) of at least \$250,000,000 and (c) whose Obligor has EBITDA of at least \$50,000,000 at the time of its issuance for the twelve months immediately prior to the acquisition of such Loan by the applicable Loan Party.

“SOFR”: ~~With respect to any Business Day, a~~ rate ~~per annum~~ equal to the secured overnight financing rate ~~for such Business Day published as administered~~ by the SOFR Administrator ~~on the SOFR Administrator’s Website on the immediately succeeding Business Day~~.

“SOFR Administrator”: The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website”: The website of the ~~Federal Reserve Bank of New York~~ SOFR Administrator, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“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.

“Special Purpose Provision”: The meaning specified in the applicable Loan Party LLC Agreement.

“Structuring Fee”: The meaning specified in Section 2.11(b).



“Subordinated Collateral Management Fee”: With respect to any Payment Date, an amount equal to (i) the product of (a) the sum of (x) the Outstanding Balances of all Eligible Loans as of the immediately preceding Determination Date and (y) the Outstanding Balances of all Eligible Loans as of the Determination Date immediately preceding the prior Payment Date (or in the case of the initial Payment Date, the Outstanding Balances of all Eligible Loans as of Determination Date immediately preceding such Payment Date) and (b) 0.50 multiplied by (ii) a *per annum* rate equal to 0.25%.

“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.

“Taxes”: Any present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

~~“Term SOFR”: For the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~

~~“Term SOFR Notice”: A notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.~~

~~“Term SOFR Transition Event”: The determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, has previously occurred resulting in the replacement of the then-current Benchmark for all purposes hereunder and under any Transaction Document in accordance with Section 12.20 with a Benchmark Replacement the Unadjusted Benchmark Replacement component of which is not Term SOFR.~~

“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 and (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, each Securities Account Control Agreement, any Joinder Supplement and the Collateral Custodian Fee Letter.

“UCC”: The Uniform Commercial Code as from time to time in effect in the applicable jurisdiction or jurisdictions.

“Unadjusted Benchmark Replacement”: The applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Uncertificated Security”: The meaning specified in Section 8-102(a)(18) 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.

“Unintended Recipient”: The meaning specified in Section 11.10(b)(i).

“Unfunded Exposure Account”: Collectively, (a) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP IV Unfunded Exposure Account” in the name of the Borrower and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties, (b) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP I Unfunded Exposure Account” in the name of the NMFC Senior Loan Program I LLC and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties and (c) a Securities Account created and maintained on the books and records of the Collateral Custodian entitled “NMFC SLP II Unfunded Exposure Account” in the name of the NMFC Senior Loan Program II LLC and subject to the Lien of the Administrative Agent for the benefit of the Secured Parties.

“Unfunded Exposure Amount”: On any date of determination, with respect to any Loan, the aggregate amount (without duplication) of all (i) unfunded commitments and (ii) all standby or contingent commitments associated with such Loan.

“Unfunded Exposure Equity Amount”: On any date of determination, an amount equal to the sum, for each Loan, of (a) the Unfunded Exposure Amount for such Loan minus (b) the product of (i) the Unfunded Exposure Amount for such Loan, (ii) the Advance Rate for such Loan and (iii) the Assigned Value of such Loan.

“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 a Loan Party.

“Unused Facility Amount”: At any time, (a) the Facility Amount minus (b) 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.

**“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.**

“U.S. Person”: Any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

“U.S. Tax Compliance Certificate”: The meaning assigned to such term in Section 2.13(g).

“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 0.75 higher than the Original Net Senior Leverage Ratio; *provided* that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Administrative Agent may, with the consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned), retroactively adjust the Net Senior Leverage Ratio or the Original Net Senior Ratio for any Loan as determined on the related Funding Date;

(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; *provided* that in connection with any Revenue Recognition Implementation or any Operating Lease Implementation, the Administrative Agent may, with the consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned), retroactively adjust the Cash Interest Coverage Ratio for any Loan as determined on the related Funding Date;

(c) such Loan becomes a Defaulted Loan;

(d) the occurrence of a Material Modification with respect to such Loan;

(e) the related Obligor fails to deliver all financial reports and statements required by the related Underlying Instruments; or

(f) such Loan fails to satisfy any of clauses (c), (h), (j) or (l) of the definition of “Eligible Loan”.

“Volcker Rule”: Section 13 of the U.S. Bank Holding Company Act of 1956, as amended, and the applicable rules and regulations thereunder.

“Wells Fargo”: Wells Fargo Bank, National Association, a national banking association, and its successors and assigns.

“Withholding Agent”: The Loan Parties, the Collateral Custodian and the Administrative Agent.

#### 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. 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;
- (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) if any date for compliance with the terms or conditions of any Transaction Document falls due on a day which is not a Business Day, then such due date shall be deemed to be the immediately following Business Day;
- (i) reference to any delivery or transfer to the Collateral Custodian with respect to the Collateral in this Agreement means delivery or transfer to the Collateral Custodian for the benefit of the Administrative Agent on behalf of the Secured Parties; and
- (j) unless otherwise expressly stated in this Agreement, if at any time any change in generally accepted accounting principles (including the adoption of IFRS) would affect the computation of any covenant (including the computation of any financial covenant) set forth in this Agreement or any other Transaction Document, the Borrower and the Administrative Agent shall negotiate in good faith to amend such covenant to preserve the original intent in light of such change; *provided*, that, until so amended, (i) such covenant shall continue to be computed in accordance with the application of generally accepted accounting principles prior to such change and (ii) the Borrower shall provide to the Administrative Agent a written reconciliation in form and substance reasonably satisfactory to the Administrative Agent, between calculations of such covenant made before and after giving effect to such change in generally accepted accounting principles.
- (k) ~~the~~**The** Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, **(i) the continuation of, administration of, submission of, calculation of or any other matter related to Daily Simple SOFR or any other Benchmark, or any component definition thereof or rates referred to in the definition thereof, or with respect to** any alternative ~~or, successor rate to the "LIBOR Rate", or replacement rate thereof~~**thereto (including any Benchmark Replacement), including without limitation,** whether the composition or characteristics of any such alternative, successor or replacement ~~reference~~**rate (including any Benchmark Replacement),** as it may or may not be adjusted pursuant to ~~this Agreement~~**Section 12.20,** will be similar to, or produce the same value or economic equivalence of, ~~LIBOR Rate~~ or have the same volume or liquidity as ~~did the London interbank offered rate, Daily Simple SOFR such Benchmark or any other Benchmark~~ prior to its discontinuance or unavailability, **or (ii) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this**

Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## ARTICLE II.

### THE FACILITY

#### Section 1.1. Advances.

(a) During the Revolving Period, the Borrower may, at its option, request the Lenders to make advances of funds (each, an “Advance”) hereunder 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 during the Revolving Period, subject to the terms and conditions hereinafter set forth, the Lenders shall fund such Advance.

(b) 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 H.

#### Section 1.2. Procedures for Advances by the Lenders.

(a) Subject to the limitations set forth herein, 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. on the Business Day prior to the proposed Funding Date, the Borrower (or the Collateral Manager on its behalf) shall deliver:

(i) to the Administrative Agent and the Collateral Custodian 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 (or, in the case of any Advance to be applied to fund any draw under a Delayed Draw Loan, such lesser amount as may be required to fund such draw), 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, Outstanding Balance, Assigned Value and Purchase Price for each Loan) and, with respect to any Delayed Draw Loan, the amount to be deposited in the Unfunded Exposure Account in connection with the acquisition of such Loan(s) pursuant to Section 2.2(e) 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. 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. on the next Business Day.

(c) On the proposed Funding Date, subject to the limitations set forth in [Section 2.1\(a\)](#) 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.

(e) Notwithstanding anything to the contrary herein, upon the occurrence of the earlier of (i) an Event of Default or (ii) the Revolving Period End Date, if the amount on deposit in the Unfunded Exposure Account is less than the Aggregate Unfunded Exposure Amount, the Borrower shall request an Advance in the amount of such shortfall (the "[Exposure Amount Shortfall](#)"). Following receipt of a Funding Notice (including a duly completed Borrowing Base Certificate updated to the date such Advance is requested and giving *pro forma* effect to the Advance requested), the Lenders shall fund such Exposure Amount Shortfall in accordance with [Section 2.2\(b\)](#) as if the Revolving Period were still in effect and notwithstanding anything to the contrary herein (including, without limitation, the Borrower's failure to satisfy any of the conditions precedent set forth in [Section 3.2](#)), except that no Lender shall make any Advance to the extent that, after giving effect to such Advance, the Advances Outstanding would exceed the Borrowing Base.

#### Section 1.3. [Reduction of the Facility Amount; Optional Repayments.](#)

(a) The Borrower shall be entitled at its option 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 provide a Repayment Notice to the Administrative Agent at least one (1) Business Day prior to such termination or reduction; (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 the second anniversary of the Closing Date (other than in connection with (i) a refinancing using the proceeds of any (a) other financing in which the Administrative Agent or an Affiliate thereof holds at least 25% of the aggregate commitments of such replacement or other financing or (b) distributed capital markets offering or (ii) an amendment and restatement of this Agreement), the Borrower shall pay to the Administrative Agent the applicable Commitment Reduction Fee in accordance with [Section 2.7](#) or [Section 2.8](#), as applicable. 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 provide a Repayment Notice to the Administrative Agent at least one (1) Business Day prior to such reduction 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 the related accrued Interest and Breakage Costs, if any, 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.

(c) At any time after the nine-month anniversary of the Closing Date and prior to the end of the Revolving Period, the Loan Parties may deliver to the Administrative Agent (which shall promptly deliver the same to the Lenders) a notice requesting that the Revolving Period be extended. Each Lender shall have the right in its sole discretion to approve or deny any such extension request. Upon written notice from the Administrative Agent and each Lender agreeing to such extension, the Revolving Period shall be extended to such date as is approved by each Lender for all purposes hereof (and clause (a) of the definition of “Revolving Period End Date” shall be deemed amended).

Section 1.4. Determination of Interest and Non-Usage Fee.

The Administrative Agent shall determine the Interest (including unpaid Interest related thereto, if any, due and payable on a prior Payment Date) and the Non-Usage Fee (including any previously accrued and unpaid Non-Usage Fee) to be paid by the Borrower on each Payment Date for the related Accrual Period and shall advise the Collateral Manager thereof on the third Business Day prior to such Payment Date.

Section 1.5. [Reserved].

Section 1.6. 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 Manager, the Administrative Agent and the Lenders.

(b) At the Borrower’s option in its sole discretion, it may take any of the following actions at any time to reduce the Required Advance Reduction Amount:

- (i) depositing Cash into the Principal Collection Account;
- (ii) repaying Advances Outstanding in accordance with Section 2.3(b); and/or
- (iii) posting additional Eligible Loans as Collateral.

Section 1.7. Settlement Procedures.

(a) On each Payment Date, so long as no Event of Default has occurred and is continuing, the Collateral Manager 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) *pro rata* to (A) the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees; *provided* that, the aggregate amount payable pursuant to this Section 2.7(a)(1)(A), Section 2.7(b)(1)(A) and Section 2.8(1)(A) shall not exceed \$100,000 *per annum* and (B) the applicable Governmental Authority for any Tax; *provided* that, the aggregate amount payable pursuant to this

Section 2.7(a)(1)(B), Section 2.7(b)(1)(B) and Section 2.8(1)(B) shall not exceed \$25,000 *per annum*;

(2) to the Collateral Manager, in an amount equal to the Senior Collateral Management Fee with respect to such Payment Date and any unpaid Senior Collateral Management Fee with respect to any prior Payment Date;

(3) *pro rata* to each Lender, in an amount equal to (A) such Lender's share of the Interest for the related Accrual Period and any accrued and unpaid Interest for previous Accrual Periods, (B) such Lender's share of the Non-Usage Fee for the related Accrual Period and any unpaid Non-Usage Fees for previous Accrual Periods and (C) any unpaid Breakage Costs with respect to such Lender;

(4) *pro rata* to the Administrative Agent and each Lender, all fees and other amounts, including any Increased Costs and Structuring Fee, but other than the principal of Advances Outstanding, Commitment Reduction Fees and Administrative Expenses, then due to each such Person 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;

(6) *pro rata* to each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee;

(7) after the end of the Revolving Period, to the Unfunded Exposure Account in an amount equal to Exposure Amount Shortfall;

(8) *pro rata* to each applicable party, to pay all other accrued and unpaid Administrative Expenses and Taxes;

(9) to the Collateral Manager, in an amount equal to the Subordinated Collateral Management Fee with respect to such Payment Date, along with any unpaid Subordinated Collateral Management Fee with respect to any prior Payment Date; and

(10) (A) during a Default, to remain in the Interest Collection Account or (B) otherwise, any remaining amounts shall be distributed to (or as directed by) the Borrower (to be used for any purpose, including distributions to the Equityholders).

(b) On each Payment Date, so long as no Event of Default has occurred and is continuing, the Collateral Manager 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)(1) or (8), *pro rata* to (A) the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees; *provided* that, the aggregate amount payable pursuant to Section 2.7(a)(1)(A), this Section 2.7(b)(1)(A) and Section 2.8(1)(A) shall not exceed \$100,000 *per annum* and (B) the applicable Governmental Authority for any Tax; *provided* that, the aggregate amount payable pursuant to Section 2.7(a)(1)(B), this Section 2.7(b)(1)(B) and Section 2.8(1)(B) shall not exceed \$25,000 *per annum*;

(2) to the extent not paid pursuant to Section 2.7(a)(2), to the Collateral Manager, in an amount equal to the Senior Collateral Management Fee with respect to such Payment Date and any unpaid Senior Collateral Management Fee with respect to any prior Payment Date;



(3) to the extent not paid pursuant to Section 2.7(a)(3), *pro rata* to each Lender, in an amount equal to (A) such Lender's share of the Interest for the related Accrual Period and any accrued and unpaid Interest for previous Accrual Periods, (B) such Lender's share of the Non-Usage Fee for the related Accrual Period and any unpaid Non-Usage Fees for previous Accrual Periods and (C) any unpaid Breakage Costs with respect to such Lender;

(4) to the extent not paid pursuant to Section 2.7(a)(4), *pro rata* to the Administrative Agent and each Lender, all other fees and other amounts, including any Increased Costs and Structuring Fee, but other than the principal of Advances Outstanding, Commitment Reduction Fee and Administrative Expenses, then due to each such Person under this Agreement;

(5) to the extent not paid pursuant to Section 2.7(a)(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;

(6) to the extent not paid pursuant to Section 2.7(a)(6), *pro rata* to each Lender, in an amount equal to any accrued and unpaid Commitment Reduction Fee;

(7) during the Revolving Period, as directed by the Collateral Manager, to repay Advances Outstanding and/or to return cash to the Principal Collection Account for application in accordance with Section 2.14(a);

(8) after the end of the Revolving Period and to the extent not paid pursuant to Section 2.7(a)(7), to the Unfunded Exposure Account in an amount equal to Exposure Amount Shortfall;

(9) after the end of the Revolving Period, to the Lenders to pay the Advances Outstanding;

(10) to the extent not paid pursuant to Section 2.7(a)(8), *pro rata* to each applicable party to pay all other Administrative Expenses and Taxes;

(11) to the extent not paid pursuant to Section 2.7(a)(9), to the Collateral Manager, in an amount equal to the Subordinated Collateral Management Fee with respect to such Payment Date, along with any unpaid Subordinated Collateral Management Fee with respect to any prior Payment Date; and

(12) (A) during a Default, to remain in the Principal Collection Account or (B) otherwise, any remaining amounts shall be distributed to (or as directed by) the Borrower (to be used for any purpose, including distribution to the Equityholders).

Section 1.8. Alternate Settlement Procedures.

On each Payment Date following the occurrence of and during the continuation of an Event of Default, the Collateral Manager (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) *pro rata* to (A) the Collateral Custodian, in an amount equal to any accrued and unpaid Collateral Custodian Fees; *provided* that, the aggregate amount payable pursuant to Section 2.7(a)(1)(A), Section 2.7(b)(1)(A) and this Section 2.8(1)(A) shall not exceed \$100,000 *per annum* and (B) the applicable Governmental Authority for any Tax; *provided* that, the aggregate amount payable pursuant to Section

2.7(a)(1)(B), Section 2.7(b)(1)(B) and this Section 2.8(1)(B) shall not exceed \$25,000 *per annum*;

(2) to the Collateral Manager, in an amount equal to the Senior Collateral Management Fee with respect to such Payment Date and any unpaid Senior Collateral Management Fee with respect to any prior Payment Date;

(3) *pro rata* to each Lender, in an amount equal to (A) such Lender's share of the Interest for the related Accrual Period and any accrued and unpaid Interest for previous Accrual Periods, (B) such Lender's share of the Non-Usage Fee for the related Accrual Period and any unpaid Non-Usage Fees for previous Accrual Periods and (C) any unpaid Breakage Costs with respect to such Lender;

(4) *pro rata* to the Administrative Agent and each Lender, all other fees and other amounts, including any Increased Costs and Structuring Fee, but other than the principal of Advances Outstanding, Commitment Reduction Fee and Administrative Expenses, then due to each such Person under this Agreement;

(5) *pro rata* to the Lenders to pay the Advances Outstanding and any accrued and unpaid Commitment Reduction Fee;

(6) *pro rata* to each applicable party, to pay all other Administrative Expenses and Taxes;

(7) to the Collateral Manager, in an amount equal to the Subordinated Collateral Management Fee with respect to such Payment Date, along with any unpaid Subordinated Collateral Management Fee with respect to any prior Payment Date; and

(8) any remaining amounts shall be distributed to (or as directed by) the Borrower (to be used for any purpose, including distribution to the Equityholders).

Section 1.9. Collections and Allocations.

(a) Collections. The Collateral Manager 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 to the appropriate Collection Account within two Business Days after such Collections are received. The Collateral Manager shall include a statement as to the amount of Principal Collections and Interest Collections on deposit 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 Manager may withdraw from the Collection Account any deposits thereto constituting Excluded Amounts if the Collateral Manager 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 each Funding Date, the Collateral Manager will instruct the related Obligor to deposit all Collections with respect to Collateral being acquired by the Borrower on such date into the Collection Account.

(d) Investment of Funds. Unless a Collateral Manager Default or an Event of Default has occurred and is continuing, 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 Manager on each Payment Date (or pursuant to standing instructions provided by the Collateral Manager); *provided* that, if a Collateral Manager Default or an Event of Default has occurred and is continuing, 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 (or pursuant to standing instructions provided by the Administrative Agent). All earnings (net of losses and investment expenses) thereon shall be retained or deposited into the applicable Collection Account and shall be applied on each Payment Date pursuant to the provisions of Section 2.7 or Section 2.8 (as applicable).

(e) Unfunded Exposure Account.

(i) Amounts on deposit in the Unfunded Exposure Account may be withdrawn (A) by the Collateral Custodian pursuant to Section 2.9(e)(ii) to fund any draw requests of the relevant Obligor under any Delayed Draw Loan or (B) if the amount on deposit in the Unfunded Exposure Account exceeds the Aggregate Unfunded Exposure Amount, by the applicable Loan Party (or the Collateral Manager on such Loan Party's behalf) to make a deposit into the Principal Collection Account to the extent of such excess.

(ii) After the end of the Revolving Period, any draw request made by an Obligor under a Delayed Draw Loan, along with wiring instructions for the applicable Obligor, shall be forwarded by the Collateral Manager (on the Borrower's behalf) to the Collateral Custodian (with a copy to the Administrative Agent) along with an instruction to the Collateral Custodian to withdraw the applicable amount from the Unfunded Exposure Account. Upon receipt of, and in accordance with, such instruction, the Collateral Custodian shall fund such draw request directly from the Unfunded Exposure Account.

(f) For all U.S. federal tax reporting purposes, all income earned on the funds invested and allocable to the Accounts is legally owned by the Loan Parties (and beneficially owned by the Loan Parties or the Equityholders). The Loan Parties are required to provide to Wells Fargo, in its capacity as Collateral Custodian (i) an IRS Form W-9 for itself or for its sole owner for U.S. federal tax purposes, as applicable, no later than the date hereof, and (ii) any additional IRS forms (or updated versions of any previously submitted IRS forms) or other documentation upon the reasonable request of the Collateral Custodian as may be necessary (a) to reduce or eliminate the imposition of U.S. withholding taxes and (b) to permit the Collateral Custodian to fulfill its tax reporting obligations under applicable law with respect to the Accounts or any amounts paid to the Loan Parties. The Loan Parties are further required to report to the Collateral Custodian comparable information upon any change in the legal or beneficial ownership of the income allocable to the Accounts. Wells Fargo, both in its individual capacity and in its capacity as Collateral Custodian, shall have no liability to the Loan Parties or any other person in connection with any tax withholding amounts paid, or retained for payment, to a governmental authority from the Accounts arising from the applicable Loan Party's failure to timely provide an accurate, correct and complete IRS Form W-9 for itself or for its sole owner for U.S. federal tax purposes, as applicable, or such other documentation contemplated under this paragraph. For the avoidance of doubt, no funds shall be invested with respect to such Accounts absent the Collateral Custodian having first received (x) instructions with respect to the investment of such funds, and (y) the forms and other documentation required by this paragraph.

Section 1.10. Payments, Computations, Etc.

(a) Unless otherwise expressly provided herein, all amounts to be paid or deposited by the Loan Parties or the Collateral Manager hereunder shall be paid or deposited in accordance with the terms hereof no later than 3:00 p.m. 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 Loan Parties or the Collateral Manager, as applicable, shall, to the extent permitted by law, pay to the Secured Parties interest on all amounts (other than the Advances) 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 and the Non-Usage Fee, which shall each 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 1.11. Fees.

(a) The Collateral Manager on behalf of the Loan Parties shall pay or cause to be paid in accordance with Sections 2.7 and 2.8, quarterly in arrears, the applicable Non-Usage Fee.

(b) The Loan Parties shall pay or cause to be paid to the Administrative Agent a structuring fee (the "Initial Structuring Fee") on the Closing Date, a fee in an amount equal to the product of (x) \$370,000,000 and (y) 0.75%;

(c) The Loan Parties shall pay or cause to be paid to the Administrative Agent a structuring fee (together with the Initial Structuring Fee, the "Structuring Fee") on the date on which the Facility Amount is increased to \$400,000,000 in accordance with the definition of "Facility Amount", a fee in an amount equal to the product of (x) \$30,000,000 and (y) 0.75%, pro-rated for the remaining portion of the Revolving Period as of such date;

(d) The Collateral Custodian shall be entitled to receive the Collateral Custodian Fee in accordance with Sections 2.7 and 2.8.

(e) The Loan Parties shall pay to Cadwalader, Wickersham & Taft LLP as counsel to the Administrative Agent on the Closing Date, 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 Loan Parties hereunder and on the immediately following Payment Date after its receipt of an invoice therefor in accordance with the terms of Section 2.7 or 2.8, as applicable.

Section 1.12. 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 any Affected Party to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, (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 (other than Taxes) 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 Loan Parties 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 Loan Parties shall pay directly to such Affected Party such additional amount or amounts as will compensate such Affected Party for such reduction.

(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 Loan Parties 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 Manager 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 Loan Parties, whereupon all Advances Outstanding of the affected Lender in respect of which Interest accrues at the ~~LIBOR-Rate~~Benchmark shall immediately be converted into Advances Outstanding in respect of which Interest accrues at the Base Rate in accordance with the definition of "Interest 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 Loan Parties 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 Loan Parties 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 Loan Parties 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 the Loan Parties be responsible for increased amounts referred to in this Section 2.12 which relates to any other entities to which Lenders provide financing.

Section 1.13. Taxes.

(a) Defined Terms. For purposes of this Section 2.13, the term “applicable law” includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Loan Parties under any Transaction Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Loan Parties shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.13) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Loan Parties. The Loan Parties shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.13) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Loan Parties by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Loan Parties have not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 12.16(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Transaction Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Transaction Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Loan Parties to a Governmental Authority pursuant to this Section 2.13, the Loan Parties

shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Transaction Document shall deliver to the Loan Parties, the Collateral Custodian and the Administrative Agent, at the time or times reasonably requested by the Loan Parties, the Collateral Custodian or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Loan Parties, the Collateral Custodian or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Loan Parties, the Collateral Custodian or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Loan Parties, the Collateral Custodian or the Administrative Agent as will enable the Loan Parties, the Collateral Custodian or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.13(g)(ii)(1), (ii)(2) and (ii)(4) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing:

(1) any Lender that is a U.S. Person shall deliver to the Loan Parties and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Loan Parties, the Collateral Custodian or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(2) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Loan Parties and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Loan Parties, the Collateral Custodian or the Administrative Agent), whichever of the following is applicable:

i. in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party, (x) with respect to payments of interest under any Transaction Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Transaction Document, IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

ii. executed copies of IRS Form W-8ECI;

iii. in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of a Loan Party within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance

Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E (as applicable); or

iv. to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECL, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner;

(3) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Loan Parties, the Collateral Custodian and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Loan Parties, the Collateral Custodian or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Loan Parties, the Collateral Custodian or the Administrative Agent to determine the withholding or deduction required to be made; and

(4) if a payment made to a Lender under any Transaction Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Loan Parties, the Collateral Custodian and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Loan Parties, the Collateral Custodian or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Loan Parties, the Collateral Custodian or the Administrative Agent as may be necessary for the Loan Parties, the Collateral Custodian and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (4), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Loan Parties, the Collateral Custodian and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.13 (including by the payment of additional amounts pursuant to this Section 2.13), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.13 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant



Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 2.13 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Transaction Document.

Section 1.14. Reinvestments and Discretionary Sales.

(a) Reinvestment. On the terms and conditions hereinafter set forth, prior to the Facility Maturity Date, the Loan Parties may withdraw funds on deposit in the Principal Collection Account for the following purposes:

(i) solely in the case of the Borrower and prior to the Revolving Period End Date, to reinvest such funds in Eligible Loans to be pledged hereunder (each, a "Reinvestment"), so long as all applicable conditions precedent set forth in Section 3.2 have been satisfied; or

(ii) to repay the Advances Outstanding, subject to the terms of Section 2.3(b).

Upon the satisfaction of the applicable conditions set forth in this Section 2.14(a) (as certified in writing by the applicable Loan Party to the Administrative Agent and the Collateral Custodian), the Collateral Custodian will release funds from the Principal Collection Account to the applicable Loan Party in an amount equal to the lesser of (A) the amount requested by the applicable Loan Party and (B) the amount on deposit in the Principal Collection Account on such day.

(b) Discretionary Sales. Upon not less than one Business Day's prior written notice to the Administrative Agent (with a copy to the Collateral Custodian), the Loan Parties shall be permitted to sell Loans (each, a "Discretionary Sale") subject to the following conditions:

(i) no Collateral Manager Default or Event of Default has occurred and is continuing and, immediately after giving effect to such Discretionary Sale, no Collateral Manager Default, Default or Event of Default shall have occurred;

(ii) immediately after giving effect to such Discretionary Sale, the Required Advance Reduction Amount shall be (x) zero or (y) subject to the prior consent of the Administrative Agent (in its sole discretion), an amount less than the Required Advance Reduction Amount immediately prior to giving effect to such Discretionary Sale;

(iii) the Borrower shall have delivered a Borrowing Base Certificate to the Administrative Agent;

(iv) such Discretionary Sale shall be made by the Collateral Manager, on behalf of the applicable Loan Party, to an unaffiliated third party purchaser in a transaction (i) reflecting arms-length market terms and (ii) in which such Loan Party makes no representations, warranties or covenants and provides no indemnification for the benefit of any other party to the Discretionary Sale (other than that such Loan Party has good title thereto, free and clear of all

Liens and has the right to sell the related Loan), *provided* that, each Loan Party may make a Discretionary Sale to an Affiliate of the Borrower with the prior written consent of the Administrative Agent in its sole discretion;

(v) 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;

(vi) on the related Discretionary Sale Date, the proceeds (net of (x) amounts payable pursuant to Section 2.14(b)(v) and (y) normal transactional expenses) from such Discretionary Sale shall be sent directly to the Collection Account; and

(vii) the Outstanding Balances of all Loans which are sold or intended to be sold by the Loan Parties in connection with a Discretionary Sale during any 12-month rolling period shall not exceed 20% of the highest Outstanding Balance of all Eligible Loans at any point during such 12-month period (or such lesser number of months as shall have elapsed from the Closing Date as of such date); *provided* that, any Discretionary Sale may be excluded from such 20% limitation with the prior written consent of the Administrative Agent.

### ARTICLE III.

#### CONDITIONS TO CLOSING AND ADVANCES

##### Section 1.1. Conditions to Closing and Initial Advance.

Neither any Lender, the Administrative Agent nor the Collateral Custodian shall 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, each in form and substance satisfactory to the Administrative Agent;

(b) The Administrative Agent shall have received satisfactory evidence that the Loan Parties and the Collateral Manager 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 Loan Parties and the Collateral Manager shall each have delivered to the Administrative Agent a certification in the form of Exhibit D;

(d) The Loan Parties and the Collateral Manager 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 Manager shall have delivered to the Administrative Agent certification that no Default, Event of Default, Change of Control or Collateral Manager Default has occurred and is continuing.

(f) The Administrative Agent shall have received, with a counterpart for each Lender, (i) the executed legal opinion or opinions of Schulte Roth & Zabel LLP, counsel to the Loan Parties, covering enforceability, grant and perfection of the security interests on the Collateral and (ii) the executed legal opinion of Schulte Roth & Zabel LLP, counsel to the Loan Parties, covering non-consolidation of the Borrower with the Equityholders, in each case in form and substance reasonably acceptable to the Administrative Agent.

(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) A UCC-1 financing statement in proper form for filing in the filing office of the appropriate jurisdiction shall have been filed (or will be concurrently filed on the Closing Date).

(j) The Administrative Agent shall have received certificates dated as of a recent date from the Secretary of State or other appropriate authority, evidencing the good standing of the Loan Parties and the Collateral Manager (i) in the jurisdiction of its organization and (ii) in each other jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires it to qualify as a foreign Person except, as to this subclause (ii), where the failure to so qualify could not be reasonably expected to have a Material Adverse Effect.

(k) The Administrative Agent shall have received the results of a recent search by a Person satisfactory to the Administrative Agent, of the UCC, judgment and tax lien filings which may have been filed with respect to personal property of the Loan Parties, and bankruptcy and pending lawsuits with respect to the Loan Parties and the results of such search shall be satisfactory to the Administrative Agent.

(l) The Administrative Agent and the Lenders shall have received the fees (including fees, disbursements and other charges of the Administrative Agent) to be received on the Closing Date referred to herein to the extent invoiced.

#### Section 1.2. Conditions Precedent to All Advances

(a) Each Advance under this Agreement and each reinvestment of Principal Collections pursuant to Section 2.14(a) (each, a “Transaction”) shall be subject to the further conditions precedent that:

(i) with respect to any Advance, the Collateral Manager shall have delivered to the Administrative Agent (with a copy to the Collateral Custodian) no later than 3:00 p.m., one (1) Business Day prior to the related Funding Date:

(1) the documents required by Section 2.2(b) and a Loan List; and

(2) a certificate of assignment substantially in the form of Exhibit F 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 2.14(a), the Collateral Manager shall have delivered to the Administrative Agent (with a copy to the Collateral Custodian), 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 Manager and the Borrower;

(b) On the date of such Transaction the following shall be true and correct and the Loan Parties and the Collateral Manager shall have certified in the related Borrower's Notice that all conditions precedent to the requested Transaction 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 in which case such representation or warranty shall be true and correct as of such 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 Manager Default;

(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 Loan Parties and the Collateral Manager 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 prohibits or enjoins 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 Loan Parties and Collateral Manager 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 Loan Parties 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 the related Approval Notice;

(h) In connection with each Transaction, the Borrower shall have delivered to the Collateral Custodian (with a copy to the Administrative Agent), no later than 3:00 p.m. on the related Advance Date or date of the related Transaction, as applicable, (i) a Loan File with respect to each Loan proposed to be acquired by the Borrower in connection with such Transaction or, with respect to the Closing Date, the SLF Acquired Loans, (ii) a certificate of assignment substantially in the form of Exhibit F and containing such additional information as may be reasonably requested by the Administrative Agent and each Lender or, with respect to any Loan with respect to which the applicable Loan Party is not party to any Underlying Instrument other than the relevant credit agreement, an assignment agreement in accordance with the requirements set forth in clause (a) of the definition of "Required Loan Documents", and (iii) a faxed or emailed copy of the duly executed original promissory notes for each Loan in respect of which a promissory note is issued or, to the extent not previously provided under clause (ii)

above, a faxed or emailed copy of a fully executed assignment agreement naming the applicable Loan Party as assignee or, if the applicable Loan Party is a direct party thereto, of the fully executed loan or credit agreement related to such Loan and if any Loans are closed in escrow, a written certification from the closing attorneys of such Loan that all documentary conditions to such Loan have been satisfied; *provided* that, notwithstanding the foregoing, the Borrower shall cause the Required Loan Documents to be in the possession of the Collateral Custodian within ten Business Days of any related Advance Date with respect to any Loan.

(i) On or prior to the date of the initial Advance, the Administrative Agent shall have received evidence satisfactory to it in its sole discretion that at least \$30,000,000 has been contributed by the Equityholders to the Borrower (which may be in the form of cash deposited into the Principal Collection Account or Eligible Loans owned by a Subsidiary Guarantor).

The failure of the Loan Parties 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 Loan Parties 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 1.3. 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 Collateral Custodian's offices set forth in Section 5.5(c). Any successor Collateral Custodian shall be a state or national bank or trust company which is not an Affiliate of the Loan Parties and which is a Qualified Institution or is otherwise acceptable to the Administrative Agent.

(b) Each time that any of the Loan Parties (or the Collateral Manager on behalf of such Loan Party) shall direct or cause the acquisition of any Loan or Permitted Investment, such Loan Party shall (or the Collateral Manager on behalf of such Loan Party), 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 Loan Parties (or the Collateral Manager on behalf of the Loan Parties) shall cause all Loans or Permitted Investments acquired by the Loan Parties 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 Loan Parties 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 Loan Parties (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 its offices set forth in Section 5.5(c);

(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 applicable Loan Party 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 applicable Loan Party 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 of 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 applicable Loan Party.

#### ARTICLE IV.

##### REPRESENTATIONS AND WARRANTIES

###### Section 1.1. Representations and Warranties of the Loan Parties.

Each Loan Party 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. Such Loan Party 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. Such Loan Party 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. Such Loan Party (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 such Loan Party is a party have been duly executed and delivered by such Loan Party.

(d) Binding Obligation. Each Transaction Document to which such Loan Party is a party constitutes a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party 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, such Loan Party's certificate of formation, operating agreement or any Contractual Obligation of such Loan Party, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of such Loan Party's properties pursuant to the terms of any such Contractual Obligation or (iii) violate any Applicable Law in any material respect.

(f) Agreements. Such Loan Party is not a party to any agreement or instrument or subject to any limited liability company restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect. Such Loan Party 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 such Loan Party, threatened against such Loan Party, before any Governmental Authority (i) asserting the invalidity of any Transaction Document to which such Loan Party is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by any Transaction Document to which such Loan Party 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 such Loan Party of each Transaction Document to which such Loan Party 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 such Loan Party.

(j) Solvency. Such Loan Party is not the subject of any Insolvency Proceedings or Insolvency Event. The transactions under the Transaction Documents to which such Loan Party is a party do not and will not render such Loan Party not Solvent.

(k) Taxes.

(i) Each Equityholder is and has always been a U.S. Person.

(ii) Such Loan Party is treated as a domestic partnership or as an entity disregarded as separate from its sole owner for U.S. federal income tax purposes.

(iii) Such Loan Party has timely filed or caused to be timely filed all U.S. federal and other material Tax and information returns that are required to be filed by or on behalf of it and has timely paid or caused to be paid all U.S. federal and other material Taxes (other than any amount of any Taxes 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 such Loan Party).

(iv) No Liens for Taxes (other than Permitted Liens) have been filed with respect to any assets of each Loan Party and, to the knowledge of such Loan Party, no claim

has been asserted by any Governmental Authority that, if accurate, could give rise to a Lien for Taxes with respect to any assets of such Loan Party.

(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. Such Loan Party 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 such Loan Party;

(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 such Loan Party has complied with its obligations under Section 4.1(m)(i);

(iii) with respect to Collateral that constitutes 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) such Loan Party 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 such Loan Party, subject to the Lien of the Administrative Agent. Such Loan Party 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, such Loan Party and the Collateral Manager 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) such Loan Party owns and has good and marketable title to the Collateral free and clear of any Lien (other than Permitted Liens) of any Person;

(vi) such Loan Party has received all consents and approvals required by the terms of any Loan to the granting of a security interest in the Loans hereunder to the Administrative Agent, on behalf of the Secured Parties;

(vii) such Loan Party 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 such Loan Party'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, such Loan Party has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Collateral. Such Loan Party has not authorized the filing of and is not aware of any financing statements against such Loan Party 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 against such Loan Party;

(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) such Loan Party 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 each underlying promissory note (if any) 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 an Uncertificated Security, such Loan Party has caused the Administrative Agent to gain "control" of such Collateral pursuant to Section 8-106(c) of the UCC and (B) such control remains effective; 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 such Loan Party 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. Such Loan Party's location (within the meaning of Article 9 of the UCC) is, and at all times has been, the State of Delaware. Such Loan Party's Federal Employer Identification Number is correctly set forth on Exhibit D. Such Loan Party 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 (or, if less, the period of time since its formation).

(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. Such Loan Party has not changed its name since its formation and does not have tradenames, fictitious names, assumed names or "doing business as" names under which it has done or is doing business.

(r) Value Given. Such Loan Party shall have given reasonably equivalent value to the applicable third party seller of Collateral in consideration for the transfer to such Loan Party 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.

(s) Accounting. Such Loan Party 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.

(t) Special Purpose Entity. Such Loan Party has not and shall not:

(i) engage in any business or activity other than the purchase, receipt and management 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 such Loan Party 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, including the last paragraph of this Section), without in each case first obtaining the prior written consent of the Administrative Agent, 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 (other than, in the case of the Guarantor Subsidiaries, as set forth in the last paragraph of this Section), or without the prior written consent of the Administrative Agent, 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 (other than, in the case of the Borrower, the Guarantor Subsidiaries) or make any Investment in any Person (other than Permitted Investments, the Closing Date Capital Contributions and Permitted Capital Contributions) 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, in conjunction with a repayment of all Advances owed to the Lenders and a termination of all the Commitments and, in the case of the Guarantor Subsidiaries, the Existing Facilities;

(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 (in the case of the Guarantor Subsidiaries, other than for tax purposes);

(x) enter into any contract or agreement with any Person, except (a) the Transaction Documents and, in the case of the Guarantor Subsidiaries, the Existing Facilities and (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;

(xi) seek its dissolution or winding up in whole or in part or divide (other than, in accordance with the last paragraph of this Section);

(xii) fail to correct any known misunderstandings regarding the separate identity of such Loan Party and any other Person;

(xiii) guarantee, become obligated for, or hold itself out to be responsible for the debt of another Person other than pursuant to this Agreement;

(xiv) fail either to hold itself out to the public as a legal entity separate and distinct from any other Person (in the case of the Guarantor Subsidiaries, other than for tax purposes) 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 maintain a sufficient number of employees, if any, in light of its contemplated business operations or to pay the salaries of its own employees, if any;

(xxi) acquire the obligations or securities of its Affiliates or stockholders (other than, in the case of the Borrower, the Guarantor Subsidiaries);

(xxii) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space, if any, provided by an Affiliate or services performed by any employee of an Affiliate;

(xxiii) fail to use separate checks bearing its own name;

(xxiv) pledge its assets to secure the obligations of any other Person other than pursuant to this Agreement;

(xxv) (A) fail at any time to have at least one (1) independent manager or director (the "Independent Manager") who is not currently (a) a manager, officer, employee or Affiliate of such Loan Party or any major creditor, or a manager, officer or employee of any such Affiliate (other than an independent manager or similar position of such Loan Party or an Affiliate), or (ii) the beneficial owner of any limited liability company interests of such Loan Party or any voting, investment or other ownership interests of any Affiliate of such Loan Party or of any major creditor 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) except as otherwise permitted pursuant to the applicable Loan Party LLC Agreement;

(xxvi) fail to provide that the unanimous consent of all members (including the consent of the Independent Manager) is required for such Loan Party to take any Material Action; and

(xxvii) take or refrain from taking, as applicable, each of the activities specified in the non-consolidation opinion of Schulte Roth & Zabel LLP, dated as of the date hereof upon which the conclusions expressed therein are based.

Notwithstanding the foregoing, after any Guarantor Subsidiary has sold or otherwise disposed of all Loans held by it (or transferred such Loans to the Borrower) and distributed all of its cash to the Borrower, less any amounts required to be reserved or applied by such Guarantor Subsidiary for expenses or other liabilities of such Guarantor Subsidiary, such Guarantor Subsidiary shall be permitted to terminate its existence and dissolve; *provided* that, such Guarantor Subsidiary shall provide notice to the Administrative Agent 30 days (or such lesser period as may be agreed to by the Administrative Agent) in advance of any such dissolution.

(u) Bankruptcy. Such Loan Party shall not file a voluntary petition under the Bankruptcy Code or Insolvency Laws.

(v) 1940 Act. Such Loan Party is not, and, if the Collateral Manager ceases to be a business development company under the 1940 Act, is not “controlled by”, an “investment company” within the meaning of, and is not subject to regulation under, the 1940 Act.

(w) 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 such Loan Party, or in which employees of such Loan Party 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 such Loan Party 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.

(x) Compliance with Law. Such Loan Party 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).

(y) Collections. Such Loan Party 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.

(z) 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.

(aa) Full Payment. As of the Funding Date thereof, such Loan Party has no knowledge of any fact which should lead it to expect that any Loan will not be repaid by such Loan Party in full.

(ab) Accuracy of Representations and Warranties. Each representation or warranty by such Loan Party contained herein or in any report, financial statement, exhibit, schedule, certificate or other document furnished by such Loan Party pursuant hereto, in

connection herewith or in connection with the negotiation hereof is true and correct in all material respects.

(ac) Sanctions. None of such Loan Party nor any Person directly or indirectly Controlling such Loan Party (i) is a Sanctioned Person; (ii) is controlled by or is acting on behalf of a Sanctioned Person; (iii) is, to such Loan Party's knowledge, under investigation for an alleged breach of Sanction(s) by a Governmental Authority that enforces Sanctions; or (iv) will fund any repayment of the Obligations with proceeds derived from any transaction that would be prohibited by Sanctions or would, to such Loan Party's knowledge, otherwise cause any Lender or any other party to this Agreement to be in breach of any Sanctions. To each such Person's knowledge, no investor in such Person is a Sanctioned Person. Such Loan Party will notify each Lender and Administrative Agent in writing promptly after becoming aware of any breach of this section.

(ad) Beneficial Ownership Certification. The information included in the Beneficial Ownership Certification is true and correct in all respects as of the Closing Date. Such Loan Party will notify each Lender and Administrative Agent in writing promptly after becoming aware of any change in such information.

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 1.2. Representations and Warranties of the Loan Parties Relating to the Agreement and the Collateral.

Each Loan Party 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 office set forth in Section 5.5(c) 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 such Loan Party is located, the security interest created hereby 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. Such Loan Party 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 such Loan Party 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 acquired by such Loan Party without any fraud or material misrepresentation.

Section 1.3. Representations and Warranties of the Collateral Manager.

The Collateral Manager 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 Manager has been duly organized, and is validly existing as a corporation in good standing, under the laws of the State of Delaware, with all requisite corporate power and authority to own or lease its properties and conduct its business as such business is presently conducted.

(b) Due Qualification. The Collateral Manager is duly qualified to do business and is in good standing as a corporation, 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 Manager (i) has all necessary corporate 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 corporate 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 Manager is a party have been duly executed and delivered by the Collateral Manager.

(d) Binding Obligation. Each Transaction Document to which the Collateral Manager is a party constitutes a legal, valid and binding obligation of the Collateral Manager enforceable against the Collateral Manager 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 Manager's certificate of formation, operating agreement or any Contractual Obligation of the Collateral Manager, (ii) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the Collateral Manager'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 Manager, threatened against the Collateral Manager, before any Governmental Authority (i) asserting the invalidity of any Transaction Document to which the Collateral Manager is a party, (ii) seeking to prevent the consummation of any of the transactions contemplated by any Transaction Document to which the Collateral Manager 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 Manager of each Transaction Document to which the Collateral Manager 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 Manager 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 Manager 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 Manager is not the subject of any Insolvency Proceedings or Insolvency Event. The transactions under the Transaction Documents to which the Collateral Manager is a party do not and will not render the Collateral Manager not Solvent.

(k) 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 Manager 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 Manager 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.

(l) 1940 Act. The Collateral Manager is regulated as a business development company under the 1940 Act.

(m) Compliance with Law. The Collateral Manager 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).

(n) 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 Manager since December 31, 2020.

(o) Actions of the Collateral Manager. The Collateral Manager acknowledges and agrees that, as of the date hereof, all of the Loans owned by the Loan Parties as of the Closing Date (or subject to irrevocable commitments to purchase by the Loan Parties 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 Loan Parties on the Closing Date (or, in respect of Loans with respect to which the Loan Parties have 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.

(p) Taxes.

(i) The Collateral Manager is currently treated as a RIC for U.S. federal income tax purposes.

(ii) The Collateral Manager has timely filed or caused to be timely filed all U.S. federal and other material Tax and information returns that are required to be filed by or on behalf of it and has timely paid or caused to be paid all U.S. federal and other material

Taxes (other than any amount of any Taxes 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 Manager).

(iii) No Liens for Taxes (other than Permitted Liens) have been filed with respect to any assets of the Collateral Manager and, to the knowledge of the Collateral Manager, no claim has been asserted by any Governmental Authority that, if accurate, could give rise to a Lien for Taxes with respect to any assets of the Collateral Manager.

(q) Sanctions. None of the Collateral Manager nor any Person directly or indirectly Controlling the Collateral Manager (i) is a Sanctioned Person; (ii) is controlled by or is acting on behalf of a Sanctioned Person; (iii) is, to the Collateral Manager's knowledge, under investigation for an alleged breach of Sanction(s) by a Governmental Authority that enforces Sanctions; or (iv) will cause the Obligations to be repaid with proceeds derived from any transaction that would be prohibited by Sanctions or would, to the Collateral Manager's knowledge, otherwise cause any Lender or any other party to this Agreement to be in breach of any Sanctions. The Collateral Manager will notify each Lender and Administrative Agent in writing promptly after becoming aware of any breach of this section.

#### Section 1.4. 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 1.1. Affirmative Covenants of the Loan Parties.

Each Loan Party covenants and agrees with the Lenders that during the Covenant Compliance Period:

(a) Compliance with Laws. Such Loan Party 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. Such Loan Party will (i) preserve and maintain its limited liability 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 its Loan Party LLC Agreement in full force and effect.

(c) Performance and Compliance with Collateral. Such Loan Party 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. Such Loan Party 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. Such Loan Party 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; *provided* that the right of the Administrative Agent provided herein to visit and inspect the financial records and properties of such Loan Party shall be limited to not more than one such visit and inspection in any fiscal quarter; *provided further* that, during the continuance of a Collateral Manager Default or an Event of Default, there shall be no limit to the number of such visits and inspections, and after the resolution of such Collateral Manager Default or 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, such Loan Party will (i) (at the Collateral Manager's expense) take all action necessary to perfect, protect and more fully evidence such Loan Party'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 Manager'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, (ii) permit the Administrative Agent or its respective agents or representatives to visit the offices of such Loan Party 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 such Loan Party having knowledge of such matters, and (iii) 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) Such Loan Party shall, or shall cause the Collateral Manager to, instruct each Obligor to deliver all Collections to the applicable Collection Account.

(ii) Such Loan Party shall promptly (but in no event later than two (2) 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. Such Loan Party shall be in compliance with the special purpose entity requirements set forth in Section 4.1(t).

(h) Credit and Collection Policy. Such Loan Party 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. Such Loan Party 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 such Loan Party's knowledge or notice of the occurrence of any Event of Default or Default, such Loan Party will provide the Administrative Agent with written notice of the occurrence of such Event of Default or Default of which such Loan Party has knowledge or has received notice. In addition, such notice will include a written statement of a Responsible Officer of such Loan Party setting forth the details of such event and the action that such Loan Party proposes to take with respect thereto.

(j) Obligations. Such Loan Party shall pay its material Indebtedness and other obligations promptly and in accordance with their terms, 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; *provided*, that such payment and discharge shall not be required with respect to any such obligations so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and such Loan Party 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 and enforcement of a Lien.

(k) Use of Proceeds. The Borrower will use the proceeds of the Advances only (i) for the Closing Date Capital Contributions, (ii) to acquire Loans, (iii) to make distributions to its member in accordance with the terms hereof, (iv) to pay related expenses (including expenses payable hereunder) or (v) for Permitted Capital Contributions to the Guarantor Subsidiaries for the payment of such expenses.

(l) Obligor Notification Forms. The Administrative Agent may, in its discretion after the occurrence of a Collateral Manager Default 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, 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. Such Loan Party 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. Such Loan Party 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, such Loan Party or the Collateral Manager 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 such Loan Party or by its accountants;

(iii) Representations and Warranties. Promptly after receiving knowledge or notice of the same, such Loan Party 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, such Loan Party 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 such Loan Party 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 such Loan Party (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 such Loan Party 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 such Loan Party, the Collateral Manager 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 such Loan Party, the Collateral Manager 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 Manager Default, (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", and (6) of the occurrence of any default by an Obligor on any Loan;

(vii) Organizational 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, organizational structure or location of records of such Loan Party or the Collateral Manager; *provided* that, such Loan Party 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;

(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 such Loan Party; and

(ix) Removal and Resignation of Independent Manager. No less than five (5) Business Days prior to any removal of the Independent Manager of any such removal, and within five (5) Business Days after any resignation of the Independent Manager.

(o) Contest Recharacterization. Such Loan Party shall in good faith contest any attempt to recharacterize the treatment of the Loans as property of the bankruptcy estate of any Equityholder.

(p) Payment Date Reporting. Such Loan Party shall deliver (or shall cause to be delivered) a Borrowing Base Certificate on each Reporting Date, determined as of the immediately preceding Determination Date. Each such Borrowing Base Certificate delivered immediately prior to a Payment Date 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) Equityholder Financial Statements. Such Loan Party will cause the Majority Equityholder to submit to the Administrative Agent and each Lender, (A) within forty-five (45) 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 Closing Date, consolidated unaudited financial statements of the Majority Equityholder 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 Closing Date, consolidated audited financial statements of the Majority Equityholder, audited by a firm of nationally recognized Independent public accountants.

(r) Further Assurances. Such Loan Party 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 such Loan Party 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(r). Such Loan Party 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.

(s) Non-Consolidation. Such Loan Party shall at all times act in a manner such that each of the assumptions made by Schulte Roth & Zabel LLP in their opinion delivered pursuant to Section 3.1(f)(ii) is true and accurate in all material respects. Each Loan Party shall at all times observe and be in compliance in all material respects with all covenants and requirements in its Loan Party LLC Agreement.

(t) Other. Such Loan Party 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 Manager or such Loan Party 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.

(u) Taxes.

(i) Each Equityholder will remain a U.S. Person.

(ii) Such Loan Party will continue to be treated as a domestic partnership or as an entity disregarded as separate from its sole owner for U.S. federal income tax purposes.

(iii) Such Loan Party will timely file or cause to be timely filed all U.S. federal and other material Tax and information returns that are required to be filed by or on behalf of it and will timely pay or cause to be paid all U.S. federal and other material Taxes (other than any amount of any Taxes the validity of which is being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP are provided on the books of such Loan Party).

(v) Beneficial Ownership Regulation. Promptly following any request therefor, such Loan Party shall deliver to the Administrative Agent information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with the Beneficial Ownership Regulation.

(w) Compliance with Anti-Money Laundering Laws and Anti-Corruption Laws. Such Loan Party shall and each Person directly or indirectly Controlling such Loan Party shall: (i) comply with all applicable Anti-Money Laundering Laws and Anti-Corruption Laws in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with the Anti-Money Laundering Laws and Anti-Corruption Laws; (ii) conduct the requisite due diligence in connection with the transactions contemplated herein for purposes of complying with the Anti-Money Laundering Laws, including with respect to the legitimacy of any applicable investor and the origin of the assets used by such investor to purchase the property in question, and will maintain sufficient information to identify any applicable investor for purposes of the Anti-Money Laundering Laws; (iii) ensure it does not use any of the credit in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws; and (iv) ensure it does not fund any repayment of the Obligations in violation of any Anti-Corruption Laws or Anti-Money Laundering.

Section 1.2. Negative Covenants of the Loan Parties.

During the Covenant Compliance Period:

(a) Other Business. Such Loan Party 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, (C) the sale of Loans as permitted hereunder and (D) the Closing Date Transfers, the Closing Date Capital Contributions and Permitted Capital Contributions, (ii) incur any Indebtedness, obligation, liability or contingent obligation of any kind other than pursuant to the Transaction Documents or (iii) form any Subsidiary or make any Investment in any other Person (other than Permitted Investments, the Closing Date Transfers, the Closing Date Capital Contributions and Permitted Capital Contributions).

(b) Collateral Not to be Evidenced by Instruments. Such Loan Party 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 or in respect of any Discretionary Sale, such Loan Party 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. Such Loan Party will promptly notify the Administrative Agent of the existence of any Lien (other than Permitted Liens) on any Collateral and such Loan Party 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 such Loan Party from suffering to exist Permitted Liens upon any of the Collateral.

(d) Mergers, Acquisitions, Sales, etc. Such Loan Party 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 as otherwise permitted pursuant to this Agreement).

(e) Change of Location of Underlying Instruments. Such Loan Party 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 office set forth in Section 5.5(c) on the Closing Date, unless such Loan Party 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.

(f) ERISA Matters. Except as would not reasonably be expected to constitute a Material Adverse Effect, such Loan Party 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 such Loan Party 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.

(g) Loan Party LLC Agreement. No Loan Party will amend, modify, waive or terminate (i) any provision of its Loan Party LLC Agreement if such amendment, modification, waiver or termination would result in a Default, Event of Default or Material Adverse Effect or (ii) any Special Purpose Provision, in each case without the prior written consent of the Administrative Agent.

(h) Changes in Payment Instructions to Obligors. Such Loan Party will not make any change, or permit the Collateral Manager to make any change, in its instructions to Obligors regarding payments to be made with respect to the Collateral to the Collection Account, unless (x) the change in such instructions is to comply with the terms of the Transaction Documents or (y) the Administrative Agent has consented to such change.

(i) Extension or Amendment of Collateral. Such Loan Party will not, except as otherwise permitted in Section 6.4(a), consent to the extension, amendment or other modification of the terms of any Loan without the prior written consent of the Administrative Agent.

(j) Fiscal Year. Such Loan Party 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.

(k) Change of Control. Such Loan Party shall not enter into any transaction or agreement which results in a Change of Control.

(l) Restricted Payments. Such Loan Party shall not make any Restricted Payments other than (i) so long as no Event of Default has occurred or Default is continuing or would result therefrom, (x) amounts on deposit in the Interest Collection Account that would have been distributed pursuant to Section 2.7(a)(10) on the immediately preceding Payment Date but for the existence of a Default and (y) amounts on deposit in the Principal Collection Account that would have been distributed pursuant to Section 2.7(b)(12) on the immediately preceding Payment Date but for the existence of a Default and (ii) amounts such Loan Party receives in accordance with Section 2.7, Section 2.8 or any other provision of any Transaction Document which expressly requires or permits payments to be made to or amounts to be reimbursed to such Loan Party.

(m) Compliance with Sanctions. None of t such Loan Party nor any Person directly or indirectly Controlling such Loan Party will, directly or, to the knowledge of such Loan Party, indirectly, use the proceeds of any Advance hereunder, or lend, contribute, or otherwise make available such proceeds to any subsidiary, joint venture partner, or other Person (i) to fund any activities or business of or with a Sanctioned Person, or (ii) in any manner that would be prohibited by Sanctions or would, to the knowledge of such Loan Party, otherwise cause any Lender to be in breach of any Sanctions. Such Loan Party shall comply with all applicable Sanctions in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with Sanctions. Such Loan Party will notify each Lender and the Administrative Agent in writing promptly after becoming aware of any breach of this section.

Section 1.3. Affirmative Covenants of the Collateral Manager.

The Collateral Manager covenants and agrees with the Lenders that during the Covenant Compliance Period:

(a) Compliance with Law. The Collateral Manager 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 Manager 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 corporation 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 Manager will duly fulfill and comply with all obligations on the part of the Loan Parties 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 Manager 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 Manager shall permit the Administrative Agent or its designated representatives to visit the offices of the Collateral Manager 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 Manager having knowledge of such matters; *provided* that the right of the Administrative Agent provided herein to visit and inspect the financial records and properties of the Collateral Manager shall be limited to not more than one (1) such visit and inspection in any fiscal quarter; *provided further* that after the occurrence of a Collateral Manager Default or 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 Collateral Manager Default or Event of Default, the number of visits occurring in the current fiscal quarter shall be deemed to be zero.

(iii) The Collateral Manager 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 pledge of the Collateral by the applicable Loan Party to the Administrative Agent as agent for the Secured Parties hereunder.

(e) Preservation of Security Interest. The Collateral Manager (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 Manager 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 Manager 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 Manager with this covenant shall be deemed to constitute compliance by the Loan Parties with their corresponding obligations under Sections 5.1(h).

(g) Events of Default. Promptly following the Collateral Manager's knowledge or notice of the occurrence of any Event of Default or Default, the Collateral Manager will provide the Administrative Agent with written notice of the occurrence of such Event of Default or Default of which the Collateral Manager has knowledge or has received notice. In addition, such notice will include a written statement of a Responsible Officer of the Collateral Manager setting forth the details of such event and the action that the Collateral Manager proposes to take with respect thereto.

(h) Other. The Collateral Manager 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 Manager 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.

(i) Proceedings. The Collateral Manager will furnish to the Administrative Agent, as soon as possible and in any event within three (3) Business Days after the Collateral Manager 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 Loan Parties, the Collateral Manager, the Majority Equityholder 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 Loan Parties, the Collateral Manager, the Majority Equityholder 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(i).

(j) Deposit of Collections. The Collateral Manager 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 Loan Parties or the Collateral Manager.

(k) Required Notices. The Collateral Manager will furnish to the Administrative Agent, promptly upon becoming aware thereof, notice of (1) any Collateral Manager Default, (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.

(l) Accounting Changes. As soon as possible and in any event within three (3) Business Days after the effective date thereof, the Collateral Manager will provide to the Administrative Agent notice of any change in the accounting policies of the Collateral Manager.

(m) Collateral Manager Financial Statements. The Collateral Manager will submit to the Administrative Agent and each Lender, within ninety (90) days after the fiscal year ended December 31, 2021, consolidated audited financial statements of the Collateral Manager, audited by a firm of nationally recognized Independent public accountants.

(n) Taxes.

(i) The Collateral Manager will use its reasonable best efforts to maintain its status as a RIC for U.S. federal income tax purposes.

(ii) The Collateral Manager will timely file or cause to be timely filed all U.S. federal and other material Tax and information returns that are required to be filed by or on behalf of it and will timely pay or caused to be paid all U.S. federal and other material Taxes (other than any amount of any Taxes 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 Manager).

(o) Compliance with Anti-Money Laundering Laws and Anti-Corruption Laws. The Collateral Manager, each Person directly or indirectly Controlling the Collateral Manager and each Person directly or indirectly Controlled by the Collateral Manager and, to the Collateral Manager's knowledge, any Related Party of the foregoing shall: (i) comply with all applicable Anti-Money-Laundering Laws and Anti-Corruption Laws in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with the Anti-Money Laundering Laws and Anti-Corruption Laws; (ii) conduct the requisite due diligence in connection with the transactions contemplated herein for purposes of complying with the Anti-Money Laundering Laws, including with respect to the legitimacy of any applicable investor and

the origin of the assets used by such investor to purchase the property in question, and will maintain sufficient information to identify any applicable investor for purposes of the Anti-Money Laundering Laws; (iii) ensure it does not cause such Loan Party to use any of the credit in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws; and (iv) ensure it does not cause such Loan Party to fund any repayment of the Obligations in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws.

(p) Sanctions. The Collateral Manager shall promptly notify the Administrative Agent and the Lenders in writing after becoming aware of any breach of any representation, warranty or covenant relating to Sanctions or Sanctioned Persons by itself or by such Loan Party.

Section 1.4. Negative Covenants of the Collateral Manager.

During the Covenant Compliance Period:

(a) Mergers, Acquisition, Sales, etc. The Collateral Manager 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 as otherwise permitted pursuant to this Agreement).

(b) Change of Location of Underlying Instruments. The Collateral Manager 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 office set forth in Section 5.5(c) on the Closing Date, unless the Collateral Manager 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 Manager 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 (x) the change in such instructions is to comply with the terms of the Transaction Documents or (y) the Administrative Agent has consented to such change.

(d) Extension or Amendment of Collateral. The Collateral Manager will not, except as otherwise permitted in Section 6.4(a), consent on behalf of the applicable Loan Party to the extension, amendment or modification to the terms of any Loan without the prior written consent of the Administrative Agent.

(e) Compliance with Sanctions. None of the Collateral Manager nor any Person directly or indirectly Controlling the Collateral Manager will, directly or, to the knowledge of the Collateral Manager, indirectly, cause the Loan Parties to use the proceeds of any Advance hereunder, or lend, contribute, or otherwise make available such proceeds to any subsidiary, joint venture partner, or other Person (i) to fund any activities or business of or with a Sanctioned Person, or (ii) in any manner that would be prohibited by Sanctions or would, to the knowledge of the Collateral Manager, otherwise cause any Lender to be in breach of any Sanctions. The Collateral Manager shall comply with all applicable Sanctions in all material respects, and shall maintain policies and procedures reasonably designed to ensure compliance with Sanctions. The Collateral Manager will notify each Lender and the Administrative Agent in writing promptly after becoming aware of any breach of this section.

Section 1.5. 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 its offices at 425 Hennepin Ave., Minneapolis, MN, 55414, 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 Manager on a temporary basis in accordance with the terms hereof, except as such Underlying Instruments may be released pursuant to this Agreement.

Section 1.6. 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 Loan Parties.

## ARTICLE VI.

### COLLATERAL MANAGEMENT

Section 1.1. Designation of the Collateral Manager.

Subject to Section 6.11, the servicing, administering and collection of the Collateral shall be conducted by the Collateral Manager.

Section 1.2. Duties of the Collateral Manager.

(a) Appointment. The Loan Parties hereby appoint the Collateral Manager as their agent to service the Collateral and enforce their respective rights and remedies in, to and under such Collateral. The Collateral Manager hereby accepts such appointment and agrees to perform the duties and obligations with respect thereto as set forth herein. The Collateral Manager and the Loan Parties hereby acknowledge that the Administrative Agent and the other Secured Parties are third party beneficiaries of the obligations undertaken by the Collateral Manager hereunder.

(b) Duties. The Collateral Manager 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, the Credit and Collection Policy and the Loan Party LLC Agreements. Without limiting the foregoing, the duties of the Collateral Manager 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 one of the Loan Parties and that such Loan Party 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 Manager Default, 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 Manager 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 Loan Parties or the Collateral Manager acts as lead agent with respect to any Loan, the Collateral Manager 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 Manager Termination Notice), shall not release the Collateral Manager or the Loan Parties 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 Manager hereunder.

(d) Any payment by an Obligor in respect of any Indebtedness owed by it to the Loan Parties 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 1.3. Authorization of the Collateral Manager.

(a) Each of the Loan Parties, the Administrative Agent and each Lender hereby authorizes the Collateral Manager to take any and all reasonable steps in its name and on its behalf necessary or desirable in the determination of the Collateral Manager and thereafter, the pledge by the Loan Parties 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 and the Loan Party LLC Agreements, to commence proceedings with respect to enforcing payment thereof. The Loan Parties and the Administrative Agent, on behalf of the Secured Parties shall furnish the Collateral Manager with any powers of attorney and other documents necessary or appropriate to enable the Collateral Manager to carry out its management and administrative duties hereunder, and shall cooperate with the Collateral Manager to the fullest extent in order to ensure the collectability of the Collateral. In no event shall the Collateral Manager 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 Loan Parties 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 Manager 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 Loan Parties, the Administrative Agent may enforce collection of any such Collateral, and adjust, settle or compromise the amount or payment thereof.

Section 1.4. Collection of Payments; Accounts.

(a) Collection Efforts, Modification of Collateral. The Collateral Manager 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 Manager 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 Manager 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 Loan Parties 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 Manager shall have instructed all Obligors to make all payments owing to the Loan Parties in respect of the Collateral directly to the applicable Collection Account;

*provided* that, the Collateral Manager is not required to so instruct any Obligor which is solely a guarantor unless and until the Collateral Manager 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 Loan Parties 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 applicable Loan Party, 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 Loan Parties of, or the grant by the Loan Parties of a security interest to the Administrative Agent in, any Loan to examine or evaluate the sufficiency of the documents or instruments delivered to it by or on behalf of the Loan Parties 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 Manager makes a deposit into the Collection Account on behalf of the Loan Parties in respect of a Collection of a Loan and such Collection was received by the Collateral Manager in the form of a check that is not honored for any reason or (ii) the Collateral Manager 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 Manager 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 1.5. Realization Upon Defaulted or Delinquent Loans.

The Collateral Manager will use reasonable efforts consistent with the Underlying Instruments to exercise available remedies relating to a Loan that is delinquent in the payment of any amounts due thereunder or with respect to which the related Obligor defaults in the performance of any of its obligations thereunder in order to maximize recoveries thereunder. The Collateral Manager will comply in all material respects with the Credit and Collection Policy, the Loan Party LLC Agreements 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 Manager may, with the prior written consent of the Administrative Agent and to the extent permitted under and in compliance with the Loan Party LLC Agreements, cause the sale of any such Underlying Assets to the Collateral Manager 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 Manager 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 1.6. Collateral Manager Compensation.

As compensation for its administrative activities and services hereunder and reimbursement for its expenses, the Collateral manager or its designee shall be entitled to receive the Senior Collateral Management Fee and the Subordinated Collateral Management Fee, in each case pursuant to the provisions of Section 2.7(a), Section 2.7(b) and Section 2.8. The Collateral Manager may, in its sole and absolute discretion, elect to waive its rights to receive all or a portion of the Senior Collateral Management Fee or Subordinated Collateral Management Fee with respect to any Payment Date payable to it pursuant to the provisions of Section 2.7(a), Section 2.7(b) and Section 2.8, as applicable by providing written notice to the Loan Parties on or prior to the Determination Date immediately preceding such Payment Date; *provided* that the Collateral Manager shall not have the ability to elect to defer payment of all or any portion of the Senior Collateral Management Fee or Subordinated Collateral Management Fee with respect to any Payment Date.

Section 1.7. Payment of Certain Expenses by Collateral Manager.

The Collateral Manager 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, expenses incurred by the Collateral Manager 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 Loan Parties. The Collateral Manager will be required to pay (or cause the Loan Parties to pay) all reasonable fees and expenses owing to any bank or trust company in connection with the maintenance of the Accounts. The Collateral Manager shall be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than the Senior Collateral Management Fee and the Subordinated Collateral Management Fee.

Section 1.8. Reports.

(a) Borrower's Notice. On the date of each Transaction, the Borrower (and the Collateral Manager 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 Manager shall deliver copies of all federal, state and local income tax returns and reports filed by the Loan Parties or the Collateral Manager, if any, or in which the Loan Parties or the Collateral Manager was included on a consolidated or combined basis (excluding sales, use and like Taxes).

(c) Obligor Financial Statements; Other Reports. The Collateral Manager will deliver to the Administrative Agent, to the extent received by the Loan Parties or the Collateral Manager 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 Loan Parties or the Collateral Manager for the periods required by the Underlying Instruments, which delivery shall be made within five (5) Business Days after receipt by the Loan Parties or the Collateral Manager as specified in the Underlying Instruments. Upon demand by the Administrative Agent, the Collateral Manager will provide such other information available to it as the Administrative Agent may reasonably request with respect to any Obligor.

(d) Website. The Collateral Manager will post on a password protected website maintained by the Loan Parties to which the Administrative Agent will have access a copy of (i) any material amendment, restatement, supplement, waiver or other modification to the Underlying Instruments of any Loan and (ii) any internal documents prepared by the Collateral Manager 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 1.9. Annual Statement as to Compliance.

The Collateral Manager will provide to the Administrative Agent, within 90 days following the end of each fiscal year of the Collateral Manager, commencing with the fiscal year ending on December 31, 2021, a fiscal report signed by a Responsible Officer of the Collateral Manager certifying that (a) a review of the activities of the Collateral Manager, and the Collateral Manager'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 Manager 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 Manager Default has occurred and is continuing or, if any such Collateral Manager Default has occurred and is continuing, a statement describing the nature thereof and the steps being taken to remedy such Collateral Manager Default.

Section 1.10. The Collateral Manager Not to Resign.

The Collateral Manager shall not resign from the obligations and duties hereby imposed on it except upon the Collateral Manager'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 Manager could take to make the performance of its duties hereunder permissible under Applicable Law. Any such determination permitting the resignation of the Collateral Manager shall be evidenced as to clause (i) above by an Opinion of Counsel to such effect delivered to the Administrative Agent.

Section 1.11. Collateral Manager Defaults.

Upon the occurrence of a Collateral Manager Default, notwithstanding anything herein to the contrary, the Administrative Agent, by written notice to the Collateral Manager and a copy to the Collateral Custodian (such notice, a "Collateral Manager Termination Notice"), may, in its sole discretion, terminate all of the rights and obligations of the Collateral Manager as Collateral Manager 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 Manager 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 Manager 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 1.1. 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. The Collateral Custodian's services hereunder shall be conducted through its Corporate Trust Services division (including as applicable, any agents or Affiliates utilized thereby).

(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 1.2. Duties of Collateral Custodian.

(a) Appointment. Each of the Loan Parties 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 Loan Parties 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 Manager 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 Manager of such discrepancy, and (2) any Review Criteria is not satisfied, the Collateral Custodian shall within

one (1) Business Day notify the Collateral Manager of such determination and provide the Collateral Manager with a list of the non-complying Loans and the applicable Review Criteria that they fail to satisfy. The Collateral Manager 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 Manager has still not cured any non-compliance by a Loan with any Review Criteria, the Collateral Custodian shall promptly notify the Loan Parties 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 Manager 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 Loan Parties. 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 its offices as set forth in Section 5.5(c) hereof. 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 Manager (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 Loan Parties, re-calculate the Borrowing Base and, if the Collateral Custodian's calculation does not correspond with the calculation provided by the Loan Parties on such Borrowing Base Certificate, deliver such calculation to each of the Administrative Agent, Loan Parties and Collateral Manager within one (1) Business Day of receipt by the Collateral Custodian of such Borrowing Base Certificate.

(vii) In performing its duties, (A) the Collateral Custodian shall comply with the standard of care and express terms of the Transaction Documents with respect to the collateral that it holds hereunder and (B) calculations made by the Collateral Custodian pursuant to this Section 7.2(b) shall be made using information provided by the Loan Parties or the Collateral Manager to the Collateral Custodian.

(viii) The parties acknowledges that in accordance with the laws and executive orders of the United States or any state or political subdivision thereof as are in effect from time to time applicable to financial institutions relating to the funding of terrorist activities and money laundering, including without limitation the USA Patriot Act and regulations

promulgated by the Office of Foreign Asset Control, the Collateral Custodian in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Collateral Custodian. Each Loan Party hereby agrees that it shall provide the Collateral Custodian with such information as it may reasonably request including, but not limited to, such Loan Party's name, physical address, tax identification number and other information that will help the Collateral Custodian to identify and verify such Loan Party's identity (and in certain circumstances, the beneficial owners thereof) such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information.

Section 1.3. 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, (iii) that may succeed to the properties and assets of the Collateral Custodian substantially as a whole or (iv) all or substantially all of the corporate trust business 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 except where an instrument of transfer or assignment is required by law to affect such succession.

Section 1.4. 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 provisions of Sections 2.7 and 2.8, 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 1.5. Collateral Custodian Removal.

The Collateral Custodian may be removed, with or without cause, by the Administrative Agent by thirty (30) days' 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. In the case of a removal of the Collateral Custodian, if no successor custodian shall have been appointed and an instrument of acceptance by a successor custodian shall not have been delivered to the Collateral Custodian within 90 days after the giving of such notice of removal, the Collateral Custodian may petition any court of competent jurisdiction for the appointment of a successor custodian.

Section 1.6. 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 oral instructions of the Administrative Agent. The Collateral Custodian shall not be deemed to have notice or knowledge of any matter hereunder unless a Responsible Officer of the Collateral Custodian receives written notice of such matter. Notice or knowledge of any matter by Wells Fargo in its capacity as Administrative Agent or Lender and other publically available information shall not constitute notice or actual knowledge of the Collateral Custodian.

(b) The Collateral Custodian may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through Affiliates, agents or attorneys. 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 be contrary to Applicable Law or 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.

(h) It is expressly acknowledged by the parties hereto that application and performance by the Collateral Custodian of its various duties hereunder (including, without limitation, recalculations to be performed in respect of the matters contemplated hereby) shall be based upon, and in reliance upon, data, information and notice provided to it by the Collateral Manager, the Administrative Agent, the Loan Parties and/or any related bank agent, obligor or similar party, and the Collateral Custodian shall have no responsibility for the accuracy of any such information or data provided to it by such persons and shall be entitled to update its records (as it may deem necessary or appropriate).

(i) In no event shall the Collateral Custodian 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 Collateral Custodian has been advised of the likelihood of such loss or damage and regardless of the form of action.

(j) In no event shall the Collateral Custodian be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond its control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, government action (including any laws, ordinances, regulations), strikes, lockouts, loss or malfunction of utilities, computer (hardware or software) or communication services, terrorism, labor disputes, disease, epidemic, pandemic, quarantine, national emergency or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication

facility or the like that delay, restrict or prohibit the providing of services by the Collateral Custodian as contemplated by this Agreement.

Section 1.7. 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 Loan Parties, Collateral Manager, 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. In the case of a resignation of the Collateral Custodian, if no successor custodian shall have been appointed and an instrument of acceptance by a successor custodian shall not have been delivered to the Collateral Custodian within 90 days after the giving of such notice of resignation, the Collateral Custodian may petition any court of competent jurisdiction for the appointment of a successor custodian.

Section 1.8. 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 Manager of a request for release of documents and receipt in the form annexed hereto as Exhibit E, to release to the Collateral Manager 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 Manager. All documents so released to the Collateral Manager shall be held by the Collateral Manager in trust for the benefit of the Administrative Agent in accordance with the terms of this Agreement. The Collateral Manager 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 Manager'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 Manager to the Collateral Custodian in the form annexed hereto as Exhibit E, the Collateral Manager's request and receipt submitted pursuant to the first sentence of this subsection shall be released by the Collateral Custodian to the Collateral Manager.

(b) Release for Payment. Upon receipt by the Collateral Custodian of the Collateral Manager'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 Manager.

Section 1.9. Return of Underlying Instruments.

Each Loan Party 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 2.14 or (d) that is required to be redelivered to such Loan Party 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 such Loan Party 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 such Loan Party and the Administrative Agent promptly, but in any event within five (5) Business Days, return the Underlying Instruments so requested to such Loan Party.

Section 1.10. Access to Certain Documentation and Information Regarding the Collateral; Audits.

The Collateral Manager, the Loan Parties 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 Manager'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 Manager's collection and administration of the Collateral in order to assess compliance by the Collateral Manager 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 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 a review of the Underlying Instruments and all other documentation regarding the Collateral. Up to two such reviews per fiscal year shall be at the expense of the Loan Parties and additional reviews in a fiscal year shall be at the expense of the requesting Lender(s); *provided* that, after the occurrence and during the continuance of a Collateral Manager Default or an Event of Default, any such reviews, regardless of frequency, shall be at the expense of the Loan Parties.

## ARTICLE VIII.

### SECURITY INTEREST

Section 1.1. 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, as guaranteed by each Guarantor Subsidiary. For such purpose, each Loan Party 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 such Loan Party's right, title and interest in, to and under (in each case, whether now owned or existing, or hereafter acquired or arising) all of the Collateral, 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, whether now or hereafter existing, due or to become due, direct or indirect, or absolute or contingent. 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 Loan Parties for any act or failure to act hereunder, except for its own gross negligence, bad faith or willful misconduct. If a Loan Party 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 Loan Parties 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 Loan Parties 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) each Loan Party 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 such Loan Party 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 such Loan Party thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

#### Section 1.2. 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 2.14 or a sale pursuant to Section 6.5 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 Manager, 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 Manager of the Proceeds of such sale into the Collection Account, at the sole expense of the Collateral Manager, execute and deliver to the Collateral Manager any assignments, bills of sale, termination statements and any other releases and instruments as the Collateral Manager 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 Manager's obligations hereunder with respect to the Proceeds of any such sale.

#### Section 1.3. 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 1.4. 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 Loan Parties 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, subject to the provisions of Section 9.2. 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 Loan Parties, which right or equity is hereby waived or released. Each Loan Party 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 such Loan Party'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 Loan Parties. To the extent permitted by applicable law, each Loan Party 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. Each Loan Party 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 1.5. Waiver of Certain Laws.

Each of the Loan Parties and the Collateral Manager 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 appraisal, 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 Loan Parties and the Collateral Manager, 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 1.6. Power of Attorney.

Each of the Loan Parties and the Collateral Manager hereby irrevocably appoints the Administrative Agent its true and lawful attorney (with full power of substitution) in its name, place and stead and at its 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 (and, with respect to the Collateral Manager, during the continuance of a Collateral Manager 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 Loan Parties and the Collateral Manager 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 Loan Parties 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 1.1. Events of Default.

The following events shall be Events of Default ("Events of Default") hereunder:

- (a) a Loan Party 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 \$500,000 and such default is not cured within the applicable cure period, if any, provided for under such agreement; or
- (b) a Loan Party fails to make any payment of accrued and unpaid Interest when due and such failure is not cured within five (5) Business Days; or
- (c) a Loan Party fails to repay the Obligations in full on the Termination Date; or
- (d) any failure on the part of any Loan Party to duly observe or perform in any material respect any other covenants or agreements of such Loan Party (other than those specifically addressed by a separate Event of Default) set forth in this Agreement or the other Transaction Documents to which such Loan Party 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 such Loan Party and (ii) the date on which such Loan Party acquires knowledge thereof; or
- (e) any representation, warranty or certification made by the Loan Parties 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 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 Loan Parties and (ii) the date on which such Loan Party acquires knowledge thereof; or
- (f) the occurrence of an Insolvency Event relating to any Loan Party or the Majority Equityholder; or

(g) 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 \$500,000 against any Loan Party, and such Loan Party shall not have 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

(h) a Loan Party shall have made payments totaling more than \$500,000 in the aggregate to settle any litigation, claim or dispute (excluding the amount of any payment made from insurance proceeds); or

(i) the occurrence of a Change of Control without the prior written consent of the Administrative Agent; or

(j) 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

(k) reserved; or

(l) reserved; or

(m) the Advances Outstanding on any day exceed the Borrowing Base, and the same continues unremedied for (i) if the Collateral Manager provides to the Administrative Agent within five (5) Business Days both (x) a written certification that the Equityholders intend to cure such event and (y) evidence satisfactory to the Administrative Agent in its sole discretion that sufficient capital has been called from the Equityholders to cure such event, fifteen (15) consecutive Business Days, or (ii) otherwise, five (5) consecutive Business Days; or

(n) a Loan Party 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

(o) a Loan Party or the Collateral Manager 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 two (2) Business Days; or

(p) a Loan Party shall fail to qualify as a bankruptcy-remote entity based upon the criteria set forth in Section 4.1(t), such that neither Schulte Roth & Zabel LLP nor another law firm reasonably acceptable to the Administrative Agent could render a substantive nonconsolidation opinion with respect thereto; or

(q) 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 applicable Loan Party or the Collateral Manager, as applicable; or

(r) a Loan Party, any Equityholder, the Collateral Manager 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

(s) a Loan Party or the pool of Collateral shall become required to register as an "investment company" within the meaning of the 1940 Act; or

(t) the Internal Revenue Service or any other Governmental Authority shall (i) assess, claim or take the position that a Loan Party is liable for any Tax or withholding Tax (other than a withholding tax under Section 1441 of the Code or a Tax imposed under Chapter 63 of the Code) in an amount exceeding, in the aggregate, \$50,000 or (ii) file notice of a lien pursuant to Section 6323 of the Code with regard to any assets of such Loan Party, except, in

the case of clauses (i) and (ii), to the extent the validity of such Tax, withholding Tax, lien or the underlying claim is being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP are being maintained 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 such Loan Party and such lien shall not have been released within five (5) Business Days.

Section 1.2. 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 Loan Parties, declare (i) the Termination Date to have occurred and the Obligations 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 Loan Parties) or (ii) the Revolving Period End Date to have occurred; *provided* that, in the case of any event involving the Loan Parties described in Section 9.1(f), the Obligations shall be immediately due and payable in full (without presentment, demand, notice of any kind, all of which are hereby expressly, waived by the Loan Parties) and the Termination Date shall be deemed to have occurred automatically upon the occurrence of any such event.

(b) 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 Loan Parties and the Collateral Manager hereby agree that they will, at the Collateral Manager'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, subject to Section 9.2(c). Each Loan Party agrees that, to the extent notice of sale shall be required by law, ten (10) days' notice to the Loan Parties 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 (c), inclusive, of the definition of "Termination Date" shall constitute a Termination Date for the purposes of this Section 9.2.

(c) In connection with the sale of the Collateral following a declaration that the Obligations are immediately due and payable (or automatic acceleration thereof) pursuant to Section 9.2(a), the Collateral Manager (or any of its Affiliates) shall have the right to purchase all of the Loans in the Collateral by paying to the Collateral Custodian in immediately available funds, an amount equal to all outstanding Obligations. If the Collateral Manager or any Affiliate thereof fails to exercise this purchase right within ten (10) days following the declaration that the Obligations are immediately due and payable pursuant to Section 9.2(a), then such rights shall be irrevocably forfeited by the Collateral Manager and its Affiliates (but, for the avoidance of doubt, such parties shall have the right to participate in any sale pursuant to Section 9.2(b)).

**ARTICLE X.**

**INDEMNIFICATION**

Section 1.1. Indemnities by the Loan Parties.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, each Loan Party 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. If such Loan Party 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 Loan Parties an amount equal to the amount it has collected from others in respect of such indemnified amounts. Without limiting the foregoing, the Loan Parties 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 Loan Parties, the Collateral Manager 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 Loan Parties or the Collateral Manager 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 Borrowing Base 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;

(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 Loan Parties or the Collateral Manager 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 Loan Parties 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 Manager 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 Loan Parties or the Collateral Manager to qualify to do business or file any notice or business activity report or any similar report;

(xi) any action taken by the Loan Parties or the Collateral Manager 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 Loan Parties to pay when due any U.S. federal and other material Taxes for which the Loan Parties are liable, other than any Taxes that are being contested in good faith by appropriate proceedings and with respect to which reserves in accordance with GAAP are being maintained 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 and the Unfunded Exposure 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 Loan Parties to give reasonably equivalent value to the applicable third party transferor, in consideration for the transfer by such third party to the Loan Parties 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 Loan Parties or any of their agents or representatives to remit to the Collateral Manager or the Administrative Agent, Collections on the Collateral remitted to the Loan Parties, the Collateral Manager or any such agent or representative as provided in this Agreement; or

(xx) the failure of the Collateral Manager 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 Loan Parties to the Indemnified Party pursuant to Section 2.7 or 2.8, as applicable, on the Payment Date following such Person's demand therefor (or, if such demand is made less than two (2) Business Days prior to such Payment Date, the next subsequent 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 Loan Parties 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 Loan Parties on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations; *provided that*, the Loan Parties shall not be required to contribute in respect of any Indemnified Amounts excluded in Section 10.1(a).

(d) The obligations of the Loan Parties under this Section 10.1 shall survive the resignation or removal of the Administrative Agent, the Collateral Manager or the Collateral Custodian and the termination of this Agreement.

Section 1.2. Indemnities by the Collateral Manager.

(a) Without limiting any other rights that any such Person may have hereunder or under Applicable Law, the Collateral Manager 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 Manager, including, but not limited to (i) any representation or warranty made by the Collateral Manager under or in connection with any Transaction Document or any other information or report delivered by or on behalf of the Collateral Manager 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 Manager to comply with any Applicable Law, (iii) the failure of the Collateral Manager to comply with its duties or obligations in accordance with this Agreement, (iv) any gross negligence, willful misconduct or fraud on the part of the Collateral Manager or (v) any litigation, proceedings or investigation against the Collateral Manager in connection with any Transaction Document or its role as Collateral Manager 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 Manager to the Indemnified Party within five (5) Business Days following such Person's demand therefor.

(c) The Collateral Manager 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 Manager 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 1.3. Taxes.

This Article X (other than Section 10.1(a)(xiii)) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

## ARTICLE XI.

### THE ADMINISTRATIVE AGENT

Section 1.1. 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 Loan Parties 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 1.2. Standard of Care; Exculpatory Provisions.

(a) 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.

(b) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Transaction Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Transaction Documents), *provided* that, the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Transaction Document or Applicable Law; and

(iii) shall not, except as expressly set forth herein and in the other Transaction Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Loan Parties or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(c) The Administrative Agent shall not be liable to any Lender for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Collateral Manager, the Loan Parties or a Lender.

(d) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Transaction Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Transaction Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 1.3. 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 Loan Parties), 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 Loan Parties or the Collateral Manager or to inspect the property (including the books and records) of the Loan Parties or the Collateral Manager; (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 1.4. 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 1.5. Indemnification of the Administrative Agent.

Each Lender agrees to indemnify the Administrative Agent (to the extent not reimbursed by the Loan Parties or the Collateral Manager), 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 Loan Parties or the Collateral Manager.

Section 1.6. 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 Loan Parties 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 Loan Parties, such consent not to be unreasonably withheld. Each of the Loan Parties 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 1.7. Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Transaction Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Affiliates of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facility as well as activities as Administrative Agent.

Section 1.8. 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.

Section 1.9. Collateral Matters.

Each of the Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion:

(a) to release any Lien on any Collateral granted to or held by the Administrative Agent, for the ratable benefit of the Secured Parties, under any Transaction Document (i) upon the termination of the Commitment and payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Transaction Document, or (iii) if approved, authorized or ratified in writing in accordance with Section 12.1; and

(b) to subordinate or release any Lien on any Collateral granted to or held by the Administrative Agent under any Transaction Document to the holder of any Permitted Lien.

(c) Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property pursuant to this Section 11.9. In each case as specified in this Section 11.9, the Administrative Agent will, at the Loan Parties' expense, execute and deliver to the applicable loan party such documents as such loan party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Transaction Documents or to subordinate its interest in such item, in each case in accordance with the terms of the Transaction Documents and this Section 11.9.

Section 1.10. Erroneous Payments.

(a) Each Lender, each other Secured Party and any other party hereto hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender or any other Secured Party (or any Affiliate of a Secured Party) or any other Person that the Administrative Agent has determined in its sole discretion that such Person has received funds on behalf of a Lender, Secured Party or other Person (each such recipient, a "Payment Recipient") from the Administrative Agent or any of its Affiliates that were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) or (ii) any Payment Recipient receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment or (z) that such Payment Recipient otherwise becomes aware was transmitted or received in error or by mistake (in whole or in part) then, in each case, an error in payment shall be presumed to have been made (any such amounts specified in clauses (i) or (ii) of this Section 11.10, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise; individually and collectively, an "Erroneous Payment") then such Payment Recipient is deemed

to have knowledge of such error at the time of its receipt of such Erroneous Payment; *provided* that nothing in this Section shall require the Administrative Agent to provide any of the notices specified in clauses (i) or (ii) above. Each Payment Recipient shall not assert any right or claim to the Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient agrees that, in the case of clause (a)(ii) above, it shall promptly (and, in all events, within one (1) Business Day of its knowledge (or deemed knowledge) of such error) notify the Administrative Agent in writing of such occurrence.

(c) In the case of either clause (a)(i) or (a)(ii) above, such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and upon demand from the Administrative Agent such Payment Recipient shall (or, with respect to any Payment Recipient who received such funds on its behalf shall cause such Payment Recipient to), promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds and in the currency so received, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (c), from any Lender that is a Payment Recipient (such unrecovered amount as to such Lender, an “Erroneous Payment Return Deficiency”), then at the sole discretion of the Administrative Agent and upon the Administrative Agent’s written notice to such Payment Recipient (i) such Payment Recipient shall be deemed to have assigned its Advances (but not its Commitments) to the Administrative Agent or, at the option of the Administrative Agent, the Administrative Agent’s lending affiliate, in a principal amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Advances (but not Commitments), the “Erroneous Payment Deficiency Assignment”) at par plus any accrued and unpaid interest, without further consent or approval of any party hereto and without any further payment by the Administrative Agent or its lending affiliate as the assignee of such Erroneous Payment Deficiency Assignment, and the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. As to any Erroneous Payment Deficiency Assignment, the provisions of this clause (d) shall govern in the event of any conflict with the terms and conditions of Section 12.16. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(e) Each party hereto hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Payment Recipient with respect to such amount, (y) the receipt of an Erroneous Payment by a Payment Recipient shall not for the purpose of this Agreement be treated as a payment, prepayment, repayment, discharge or other satisfaction of

any Obligations owed by the Loan Parties (except to the extent that the funds used to make such Erroneous Payment were received from the Loan Parties as repayment of such Obligations, including any payments made from Collections for such purpose pursuant to Section 2.7 or 2.8) or any other Secured Party and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the Obligations, the Obligations or any part thereof that were so credited, and all rights of the Payment Recipient, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received (except to the extent that the funds used to make such Erroneous Payment were received from the Loan Parties as the repayment of such Obligations, including any payments made from Collections for such purpose pursuant to Section 2.7 or 2.8).

(f) Each Payment Recipient hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Payment Recipient under any Underlying Instruments, or otherwise payable or distributable by the Administrative Agent to such Payment Recipient from any source, against any amount due to the Administrative Agent under pursuant to this Section 11.10 or under the indemnification provisions of this Agreement.

(g) Each party's obligations under this Section 11.10 shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Underlying Instruments.

## ARTICLE XII.

### MISCELLANEOUS

#### Section 1.1. 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, each Guarantor Subsidiary, the Collateral Manager, 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 any Loan Party 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 a Loan Party with such Lender for accounting purposes may be effected without the written consent of any Loan Party or any other Lender.

#### Section 1.2. 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 1.3. 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 1.4. 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 1.5. Binding Effect; Benefit of Agreement.

This Agreement shall be binding upon and inure to the benefit of the Loan Parties, the Collateral Manager, 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 1.6. Term of this Agreement.

This Agreement, including, without limitation, the Loan Parties' representations and covenants set forth in Articles IV and V, and the Collateral Manager'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 Loan Parties or the Collateral Manager 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 1.7. 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. EACH OF THE PARTIES HERETO WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING DIRECTLY OR INDIRECTLY OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.

Section 1.8. Consent to Jurisdiction; Waiver of Objection to Venue; Waivers

Each party hereto 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 such party;

(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 ; *provided* that nothing contained in this sentence shall limit the Loan Parties' indemnification obligations hereunder to the extent such damages are included in a third party claim in connection with which an Indemnified Party is entitled to indemnification hereunder.

Section 1.9. Costs and Expenses.

(a) In addition to the rights of indemnification granted to the Indemnified Parties under Article X hereof, each Loan Party 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) Each Loan Party shall pay on the Payment Date following receipt of a request therefor, all other reasonable costs and expenses 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 each Loan Party's or the Collateral Manager's books and records.

Section 1.10. 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 Loan Parties 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. The provisions of this Section 12.10 are a material inducement for the Secured Parties to enter into this Agreement and the transactions contemplated hereby and are an essential term hereof. The parties hereby agree that monetary damages are not adequate for a breach of the provisions of this Section 12.10 and the Administrative Agent may seek and obtain specific performance of such provisions (including injunctive relief), including, without limitation, in any bankruptcy, reorganization, arrangement, winding up, insolvency, moratorium, winding up or liquidation proceedings, or other proceedings under United States federal or state bankruptcy or similar laws of any jurisdiction. The provisions of this paragraph shall survive the termination of this Agreement.

Section 1.11. 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 Loan Parties or the Collateral Manager 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 Loan Parties or the Collateral Manager 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 Loan Parties or the Collateral Manager 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 Loan Parties or the Collateral Manager, and that no personal liability whatsoever shall attach to or be incurred by the Administrative Agent, any Secured Party, the Loan Parties, the Collateral Manager or any incorporator, stockholder, affiliate, officer, partner, employee or director of the Administrative Agent, any Secured Party, the Loan Parties or the Collateral Manager under or by reason of any of the obligations, covenants or agreements of the Administrative Agent, any Secured Party, the Loan Parties or the Collateral Manager 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 Loan Parties or the Collateral Manager and each incorporator, stockholder, affiliate, officer, partner, employee or director of the Administrative Agent, any Secured Party, the Loan Parties or the Collateral Manager, or any of them, for breaches by the Administrative Agent, any Secured Party, the Loan Parties or the Collateral Manager 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 Loan Parties or the Collateral Manager 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 Loan Parties or the Collateral Manager 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 Loan Parties and the Collateral Manager 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 1.12. Protection of Right, Title and Interest in the Collateral; Further Action Evidencing Advances.

(a) The Collateral Manager 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 of the Secured Parties, hereunder to

all property comprising the Collateral. The Loan Parties shall cooperate fully with the Collateral Manager 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) Each Loan Party 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 Loan Party or the Collateral Manager 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 Loan Parties as provided in [Article X](#). Each Loan Party irrevocably authorizes the Administrative Agent and appoints the Administrative Agent as its attorney-in-fact to act on behalf of such Loan Party (i) to execute on behalf of the such Loan Party 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 Loan Parties 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\(h\)](#) 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 1.13. Confidentiality.

(a) Each of the Administrative Agent, the Secured Parties, the Collateral Manager, the Collateral Custodian and the Loan Parties 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 Loan Parties and the Collateral Manager 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 Manager, the Collateral Custodian and the Loan Parties that such information shall be used solely in connection with such Excepted Person's evaluation of, or relationship with, the Loan Parties 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 Manager Defaults, and priority of payment provisions.

(b) Anything herein to the contrary notwithstanding, each of the Loan Parties and the Collateral Manager 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 Loan Parties' 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 Loan Parties 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 Loan Parties or the Collateral Manager 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, if 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 Loan Parties and the Collateral Manager; or (iii) any other disclosure authorized by the Loan Parties and the Collateral Manager, as applicable.

(d) Notwithstanding any other provision of this Agreement, the Loan Parties and the Collateral Manager 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 Loan Parties and/or the Collateral Manager, as the case may be, determines is reasonable (i) any information that the Loan Parties and/or the Collateral Manager, as the case may be, reasonably believes to be in the nature of trade secrets and (ii) any other information that the Loan Parties, the Collateral Manager 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 1.14. 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. This Agreement shall be valid, binding, and enforceable against a party when

executed and delivered by an authorized individual on behalf of the party by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including any relevant provisions of the UCC (collectively, "Signature Law"), in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or other electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. For the avoidance of doubt, original manual signatures shall be used for execution or indorsement of writings when required under the UCC or other Signature Law due to the character or intended character of the writings. 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 1.15. 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 1.16. Status of Lenders; Assignments by the Lenders.

(a) Each Lender represents and warrants to the Loan Parties 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 Commitment (or any portion thereof) to any Person; *provided* that, as applicable, (i) no transfer of any Advance (or any portion thereof) or of any Commitment (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) Wells Fargo shall (A) unless required by Applicable Law (including, without limitation, the Volcker Rule) not assign more than 49% of the Facility Amount and (B) retain all Eligible Loan 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 Commitment (or of any portion thereof) the assignee executes and delivers to the Collateral Manager, the Loan Parties and the Administrative Agent a fully executed Joinder Supplement substantially in the form of Exhibit H hereto. The parties to any such assignment, grant or sale of a participation interest shall execute and deliver to the applicable Lender for its acceptance and recording in its books and records, such agreement or document as may be satisfactory to such parties. The Loan Parties agree that each participant shall be entitled to the benefits of Sections 2.12 and 2.13 (subject to the requirements and limitations therein, including the requirements under Section 2.13(g)) (it being understood that the documentation required under Section 2.13(g) shall be delivered to the

participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to this Section 12.16(a); *provided* that, such participant shall not be entitled to receive any greater payment under Sections 2.12 or 2.13, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in Applicable Law that occurs after the participant acquired the applicable participation. The applicable Loan Party shall not assign or delegate, or grant any interest in, or permit any Lien to exist upon, any of such Loan Party'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, Wells Fargo shall not need prior consent of the Loan Parties 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 Commitment (or any portion thereof), to any Person.

(b) The Administrative Agent, acting solely for this purpose as an agent of Loan Parties, 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 (and stated interest) 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 Commitment may be effected only by the recording by the Administrative Agent of the identity of the transferee (and other information required by this clause (b)) in the Register. The entries in the Register shall be conclusive, absent manifest error, and the Loan Parties, the Administrative Agent and the Lenders shall 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 the Loan Parties and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

Each Lender that sells a participation interest hereunder shall, acting solely for this purpose as an agent of the Loan Parties, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each such participant's interest in the obligations under the Transaction Documents (the "Participant Register"); *provided* that, no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any obligations under any Transaction Document) to any Person except to the extent that such disclosure is necessary to establish that such obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. Participations by a Lender of its rights hereunder or under any Commitment may be effected only by the recording by such Lender of the identity of the transferee (and other information required by this clause (b)) in the Participant Register. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

**Section 1.17. Heading and Exhibits.**

The headings herein are for purposes of reference 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 1.18. Intent of the Parties.**

It is the intent and understanding of each party hereto that the Advances are loans from the Lenders to the Loan Parties and do not constitute a "security" within the meaning of Section 8-102(15) of the UCC.

Section 1.19. Recognition of the U.S. Special Resolution Regimes. To the extent that this Agreement and/or any other Transaction Document constitutes a QFC, the Loan Parties agree with each Secured Party as of the Closing Date as follows:

(a) In the event a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement and/or any other Transaction Document, and any interest and obligation in or under this Agreement and/or any other Transaction Document from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement and/or any other the Transaction Document, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that a Covered Party or a BHC Act Affiliate of such Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement and/or any other Transaction Document that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement and/or any other Transaction Document were governed by the laws of the United States or a state of the United States.

Section 1.20. Benchmark Replacement Settings

~~(a) (1) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a)(1) or (a)(2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document and (y) if a Benchmark Replacement is determined in accordance with clause (a)(3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Transaction Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5<sup>th</sup>) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.~~

(a) (2) **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Transaction Document, if a Term SOFR upon the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Transaction Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Transaction Document; provided that this clause (B) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Loan Parties a Term SOFR Notice. For the avoidance of doubt with respect to any Benchmark, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR and the Borrower may amend this Agreement to replace such Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition

Event ~~and may elect or not elect to do so in its sole discretion~~ will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders holding greater than 50% of the aggregate Commitments then in effect. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 12.20 will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make ~~Benchmark Replacement~~ Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such ~~Benchmark Replacement~~ Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Transaction Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the ~~Loan Parties~~ Borrower, the Lenders and the Collateral Custodian of (A) ~~any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt in Election, as applicable, and its related Benchmark Replacement Date,~~ (B) ~~the~~ implementation of any Benchmark Replacement; and (C) the effectiveness of any Benchmark Replacement Conforming Changes, ~~(D) in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of~~ the removal or reinstatement of any tenor of a Benchmark ~~pursuant to Section 12.20(d) below and (E) the commencement or conclusion of any Benchmark Unavailability Period~~. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 12.20, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Transaction Document, except, in each case, as expressly required pursuant to this Section 12.20.

~~(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Transaction Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR Rate) and either (1) any tenor for such Benchmark (which in the case of this Agreement is three months) is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (2) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Accrual Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (1) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (2) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Accrual Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.~~

~~(d)~~ (e) Benchmark Unavailability Period. Upon the Loan Parties' receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a given

**Benchmark**, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Advances to be made, converted or continued during any Benchmark Unavailability Period. During any Benchmark Unavailability Period **with respect to any Benchmark** or at any time that a tenor for the then-current Benchmark is not ~~an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.~~ **available, the Base Rate shall be used instead of such Benchmark to calculate Interest.**

~~(f) Occurrence of Benchmark Transition Event. On March 5, 2021, the ICE Benchmark Administration (the "IBA"), the administrator of the London interbank offered rate, and the Financial Conduct Authority (the "FCA"), the regulatory supervisor of the IBA, announced in public statements (the "Announcements") that the final publication or representativeness date for (i) 1-week and 2-month London interbank offered rate tenor settings will be December 31, 2021 and (ii) overnight, 1-month, 3-month, 6-month and 12-month London interbank offered rate tenor settings will be June 30, 2023. No successor administrator for the IBA was identified in such Announcements. The parties hereto agree and acknowledge that the Announcements resulted in the occurrence of a Benchmark Transition Event with respect to the London interbank offered rate pursuant to the terms of this Agreement and that any obligation of the Administrative Agent to notify any parties of such Benchmark Transition Event hereunder shall be deemed satisfied.~~

## ARTICLE XIII.

### GUARANTOR SUBSIDIARIES

#### Section 1.1. Guarantee

(a) Each Guarantor Subsidiary is (after giving effect to the Closing Date Transfers) a wholly-owned Subsidiary of the Borrower and agrees that it is receiving material consideration for its entry into this Agreement. The Guarantor Subsidiaries hereby, unconditionally and irrevocably, guarantee to the Administrative Agent for the benefit of each Lender and other Secured Party, the prompt and complete payment by the Borrower when due of all Obligations (such amounts, the "Guaranteed Amounts"). The Guarantor Subsidiaries hereby further unconditionally and irrevocably agree that if the Borrower shall fail to pay in full when due any of the Guaranteed Amounts, promptly upon demand from the Administrative Agent, the Guarantor Subsidiaries will pay the same without (to the fullest extent permitted by applicable law) any other demand or notice whatsoever.

(b) Anything herein to the contrary notwithstanding, the maximum liability of the Guarantor Subsidiaries hereunder shall in no event exceed the maximum liability of the Borrower hereunder and in no event shall such amount exceed the amount which can be guaranteed by the Guarantor Subsidiaries under applicable federal and state laws relating to the insolvency of debtors.

(c) The Guarantor Subsidiaries further agree to pay any and all reasonable and documented expenses (including, without limitation, all reasonable and documented fees and disbursements of counsel) which may be paid or incurred by the Administrative Agent in enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting, any or all of the Guaranteed Amounts and/or enforcing any rights with respect to, or collecting against, the Guarantor Subsidiaries hereunder.

(d) The Guarantor Subsidiaries agree that the Obligations may at any time and from time to time exceed the amount of the liability of the Guarantor Subsidiaries hereunder

without impairing this guarantee or affecting the rights and remedies of the Secured Party hereunder.

(e) Any payment or payments made by the Borrower, the Guarantor Subsidiaries, any other guarantor or any other Person or received or collected by any Secured Party from the Borrower, the Guarantor Subsidiaries, any other guarantor or any other Person by virtue of any action or proceeding or any set off or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Amounts shall release the Guarantor Subsidiaries from the obligation to make payment of the same amount under this Agreement but shall not be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor Subsidiaries hereunder in respect of any additional Guaranteed Amounts due or that thereafter become due or in respect of any such payment that is rescinded or must otherwise be restored or returned by any Lender, which liability shall remain in effect, notwithstanding any such payment or payments other than payments made by the Guarantor Subsidiaries in respect of the Guaranteed Amounts or payments received or collected from the Guarantor Subsidiaries in respect of the Guaranteed Amounts for the Guaranteed Amounts up to the maximum liability of the Guarantor Subsidiaries hereunder until the Guaranteed Amounts are paid in full (other than Guaranteed Amounts relating to contingent indemnification obligations for which no claim has been made) and the aggregate Commitments are irrevocably terminated in full (other than contingent indemnification obligations for which no claim has been made).

(f) The Guarantor Subsidiaries hereby irrevocably authorize each Lender at any time and from time to time during any period that any Guaranteed Amount is due and owing by the Guarantor Subsidiaries, without notice to the Guarantor Subsidiaries (and any such notice being expressly waived by the Guarantor Subsidiaries), to set off and any amounts owing by such Lender to or for the credit or the account of the Guarantor Subsidiaries, or any part thereof in such amounts as such Lender may elect, against and on account of the obligations and liabilities of the Guarantor Subsidiaries to such Lender hereunder and claims of every nature and description of such Lender against the Guarantor Subsidiaries hereunder. Each Lender shall notify the Guarantor Subsidiaries promptly of any such set off and the application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set off and application. The rights of each Lender hereunder are in addition to other rights and remedies (including, without limitation, other rights of set off) which such Lender may have.

(g) Notwithstanding any payment or payments made by the Guarantor Subsidiaries hereunder or any set off or application of funds of the Guarantor Subsidiaries by any Lender, the Guarantor Subsidiaries shall not be entitled to be subrogated to any of the rights of any Lender against the Borrower, nor shall the Guarantor Subsidiaries seek or be entitled to seek any contribution or reimbursement from the Borrower in respect of payments made by the Guarantor Subsidiaries hereunder, until all of the Guaranteed Amounts are paid in full (other than Guaranteed Amounts relating to contingent indemnification obligations for which no claim has been made). If any amount shall be paid to the Guarantor Subsidiaries on account of such subrogation rights at any time when all of the Guaranteed Amounts shall not have been paid in full (other than Guaranteed Amounts relating to contingent indemnification obligations for which no claim has been made), such amount shall be held by the Guarantor Subsidiaries in trust for the Lenders, and shall, forthwith upon receipt by the Guarantor Subsidiaries, be turned over to the Administrative Agent in the exact form received by the Guarantor Subsidiaries, to be applied against the Guaranteed Amounts in such order as the Administrative Agent may determine in accordance herewith.

(h) The Guarantor Subsidiaries shall remain obligated hereunder notwithstanding that, without any reservation of rights against the Guarantor Subsidiaries and without notice to or further assent by the Guarantor Subsidiaries, any demand for payment of any of the Guaranteed Amounts made by any Lender may be rescinded by such party and any of the

Guaranteed Amounts continued, and the Guaranteed Amounts, or the liability of any other party upon or for any part thereof, or any right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by any Lender. Any failure by any Lender to collect any payments from the Borrower or any release of the Borrower (other than through payment or performance) shall not relieve the Guarantor Subsidiaries of its obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of any Lender against the Guarantor Subsidiaries. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

(i) The Guarantor Subsidiaries waives any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Amounts and notice of or proof of reliance hereon by any Lender or acceptance hereof, of the Guaranteed Amounts, and of any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Guarantee; and all dealings between the Borrower and the Guarantor Subsidiaries, on the one hand, and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Guarantee. The Guarantor Subsidiaries waive diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or the Guarantor Subsidiaries with respect to the Guaranteed Amounts except to the extent required hereunder for such Guaranteed Amounts to become due and payable by the Borrower. The Guarantor Subsidiaries understand and agree that this Section 13 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, regularity or enforceability of any of the Guaranteed Amounts or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Lender, (b) any defense, set off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower against any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or the Guarantor Subsidiaries), other than payment in full of the Guaranteed Amounts, which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Guaranteed Amounts, or of the Guarantor Subsidiaries under this Agreement, in bankruptcy or in any other instance. Any failure by any Lender to collect any payments from the Borrower or any other Person or to realize upon any collateral security or guarantee for the Guaranteed Amounts or to exercise any right of offset with respect thereto or any release of the Borrower or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve the Guarantor Subsidiaries of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Lenders against the Guarantor Subsidiaries.

(j) This Section 13 shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantor Subsidiaries and the successors and assigns thereof, and shall inure to be benefit of the Lenders, and their respective permitted successors, transferees and assigns, until all the Guaranteed Amounts and the obligations of the Guarantor Subsidiaries under this Guarantee shall have been satisfied by payment in full (other than Guaranteed Amounts relating to contingent indemnification obligations for which no claim has been made), notwithstanding that from time to time during the term of this Agreement the Borrower may be free from any Guaranteed Amounts. This guarantee made hereunder shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guaranteed Amounts is rescinded or must otherwise be restored or returned by any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or the Guarantor Subsidiaries, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower or the Guarantor Subsidiaries or any substantial part of its property, or otherwise, all as though such payments had not been made. The obligations of the Guarantor Subsidiaries under this Section 13 shall survive



the resignation or removal of the Administrative Agent or any Lender and the termination of this Agreement (to the extent set forth in this Section 13.1(j)).

Notwithstanding any modification, discharge or extension of the Guaranteed Amounts or any amendment, modification, stay or cure of the Lenders' rights which may occur in any bankruptcy or reorganization case or proceeding against the Borrower, whether permanent or temporary, and whether or not assented to by the Lenders, the Guarantor Subsidiaries hereby agrees that the Guarantor Subsidiaries shall be obligated hereunder to pay and perform the Guaranteed Amounts and discharge its other obligations in accordance with the terms hereof. The Guarantor Subsidiaries understand and acknowledge that, by virtue hereof, it has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to the Borrower. Without in any way limiting the generality of the foregoing, any subsequent modification of the Guaranteed Amounts in any reorganization case concerning the Borrower shall not affect the obligation of the Guarantor Subsidiaries to pay and perform the Guaranteed Amounts in accordance with the original terms thereof.

(k) Except as required by law, the Guarantor Subsidiaries shall make all payments hereunder to the Administrative Agent without set-off or counterclaim in Dollars at an account designated in writing by the Administrative Agent.

**[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:**

**NMFC SENIOR LOAN PROGRAM IV LLC**, as the Borrower

By:

By: \_\_\_\_\_  
Name:  
Title:

**COLLATERAL MANAGER:**

**NEW MOUNTAIN FINANCE CORPORATION**, as Collateral Manager

By:

By: \_\_\_\_\_  
Name:  
Title:

[Signatures Continued on the Following Page]

**NMFC SENIOR LOAN PROGRAM I LLC**, as a Guarantor Subsidiary

By:

By:\_\_\_\_\_  
Name:\_\_\_\_\_  
Title:\_\_\_\_\_

**NMFC SENIOR LOAN PROGRAM II LLC**, as a Guarantor Subsidiary

By:

By:\_\_\_\_\_

Name:\_\_\_\_\_  
Title:\_\_\_\_\_

**ADMINISTRATIVE AGENT:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, 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]

**COLLATERAL CUSTODIAN:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, not in its individual capacity but solely as Collateral Custodian

By: \_\_\_\_\_  
Name:  
Title:

**NMFC SENIOR LOAN PROGRAM IV LLC**

~~787 Seventh Avenue, 49<sup>th</sup>~~ **1633 Broadway, 48th** Floor  
New York, ~~New York~~ **NY** 10019  
Attention: ~~Rob Hamwee,~~ John Kline ~~and,~~ Laura Holson  
Fax: ~~(212) 720-0351~~ **and Cyrus Moshiri**

**NMFC SENIOR LOAN PROGRAM I LLC**

~~787 Seventh Avenue, 49<sup>th</sup>~~ **1633 Broadway, 48th** Floor  
New York, ~~New York~~ **NY** 10019  
Attention: ~~Rob Hamwee,~~ John Kline ~~and,~~ Laura Holson  
Fax: ~~(212) 720-0351~~ **and Cyrus Moshiri**

**NMFC SENIOR LOAN PROGRAM II LLC**

~~787 Seventh Avenue, 49<sup>th</sup>~~ **1633 Broadway, 48th** Floor  
New York, ~~New York~~ **NY** 10019  
Attention: ~~Rob Hamwee,~~ John Kline ~~and,~~ Laura Holson  
Fax: ~~(212) 720-0351~~ **and Cyrus Moshiri**

**NEW MOUNTAIN FINANCE CORPORATION**

~~787 Seventh Avenue, 49<sup>th</sup>~~ **1633 Broadway, 48th** Floor  
New York, ~~New York~~ **NY** 10019  
Attention: ~~Rob Hamwee,~~ John Kline ~~and,~~ Laura Holson  
Fax: ~~(212) 720-0351~~ **and Cyrus Moshiri**

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent**

550 South Tryon Street  
Charlotte, North Carolina 28202  
Attention: Corporate Debt Finance  
Facsimile: (704) 715-0067  
Confirmation: (704) 410-2489  
All electronic dissemination of Notices should be sent to [scp.mmloans@wellsfargo.com](mailto:scp.mmloans@wellsfargo.com)

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as Lender**

550 South Tryon Street  
Charlotte, North Carolina 28202  
Attention: Corporate Debt Finance  
Facsimile: (704) 715-0067  
Confirmation: (704) 410-2489  
All electronic dissemination of Notices should be sent to [scp.mmloans@wellsfargo.com](mailto:scp.mmloans@wellsfargo.com)

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as Collateral Custodian**

Wells Fargo Bank, National Association  
Corporate Trust Services Division  
9062 Old Annapolis Rd.  
Columbia, Maryland 21045  
Attn: CDO Trust Services—New Mountain Capital  
Fax: (410) 715-3748  
Phone: (410) 884-2000

**Annex B**

Lender  
Wells Fargo Bank, National Association

Commitment  
\$370,000,000



## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, John R. Kline, Chief Executive Officer of New Mountain Finance Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of New Mountain Finance Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrants, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 8th day of May, 2023

/s/ JOHN R. KLINE

John R. Kline

## CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Laura C. Holson, Chief Financial Officer of New Mountain Finance Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of New Mountain Finance Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrants, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 8th day of May, 2023

/s/ LAURA C. HOLSON

\_\_\_\_\_  
Laura C. Holson

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2023 (the "Report") of New Mountain Finance Corporation (the "Registrant"), as filed with the U.S. Securities and Exchange Commission on the date hereof, I, John R. Kline, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ JOHN R. KLINE

---

Name: John R. Kline

Date: May 8, 2023

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

**PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with the Quarterly Report on Form 10-Q for the period ended March 31, 2023 (the "Report") of New Mountain Finance Corporation (the "Registrant"), as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Laura C. Holson, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ LAURA C. HOLSON

---

Name: Laura C. Holson

Date: May 8, 2023